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# THE INDEPENDENT

Wednesday 27 May 1998 45p (IR 50p) No 3,621

## Akihito: My sorrow and pain

By Colin Brown  
Chief Political Correspondent

EMPEROR Akihito of Japan spoke last night of his "deep sorrow and pain" over the suffering of Allied prisoners held during the Second World War. Speaking at a state banquet at Buckingham Palace, the Emperor sought a measure of reconciliation with veteran prisoners after hundreds of them turned their backs to him and whistled "Colonel Bogey" as he travelled along The Mall at the start of a state visit.

The Emperor went as far as he could towards expressing regret for the treatment of prisoners, but the inability of the Japanese head of state to offer the full apology demanded by the veterans meant protests are likely to continue throughout the week of his visit.

"It truly saddens me that the relationship so nurtured between our two countries should have been marred by the Second World War," said the Emperor.

"Our hearts are filled with deep sorrow and pain. All through our visit here, this thought will never leave our minds."

The Queen also referred to the pain of the conflict in the Second World War, but followed the Prime Minister in attempting to focus on the need for reconciliation, and the valuable trade links for the future between Britain and Japan.

"While the memories of that time still cause pain today, they have also acted as a spur to reconciliation," she said.

The unprecedented protest by the old soldiers in The Mall was staged to an accompaniment of catcalls, boos and the whistling of wartime anthem "Colonel Bogey".

One 83-year-old expressed his outrage about the Emperor's visit by burning a Japanese flag moments before the Queen and Emperor passed in the Irish State Coach.

Tony Blair's spokesman said there was a great deal of sympathy and understanding from the Emperor at the depth of feeling of the veteran POWs.

They protested in service berets and medals as the Emperor travelled to the palace for his investiture with the Order of the Garter, an honour bestowed on his father and his grandfather. There were shouts of "go

home" when the Emperor later emerged from Westminster Abbey after laying a wreath, but No 10 said they had demonstrated with dignity.

"I don't think it would be fair to expect him to say anything more. He is a constitutional monarch and like the Queen, he doesn't get involved in politics. We didn't expect him to make an apology. Prime Minister [Ryutaro] Hashimoto's apology and the Emperor's words have convinced the Prime Minister that they are sincere in their regrets," said the No 10 spokesman.

The veterans of the Japanese labour camps were protesting at the refusal of the Japanese government to offer more compensation, and a further apology for their inhumane treatment. But there were also civilian victims of the brutality. Sisters Elizabeth Paddon and Diana Hallward, from Devizes, Wiltshire, whose father died shortly after being released from three years' Japanese captivity in the notorious Changi jail in Singapore, waved a banner reading "The Garter is a sham".

Mrs Paddon said: "My father came home to die. We escaped from Singapore but we lost everything and my mother got compensation of £48."

"We feel very bitter about this. No way should he be given the Garter. I am disgusted by Tony Blair saying we should welcome him. It is all in the name of economics and trade."

Senior members of the Cabinet, including Jack Straw, the Home Secretary, bowed their heads in greeting to the Emperor on the platform for a march past in his honour on Horseguards Parade.

The Queen told the Emperor and Empress: "I hope that you will carry away many happy memories of your stay, and that they will last through all the seasons of the years ahead, come rain or shine - for Britain is no fair-weather friend."

"The protesters had ignored an appeal by Mr Blair to give the Emperor a warm welcome but the Prime Minister spent the day limiting the diplomatic damage in a series of interviews in which he emphasised the need for reconciliation. He said he wanted the rest of the visit to reflect Japan's cultural and economic links with Britain."



Former POW Jack Caplan, who worked on the infamous Kwai rail bridge, burns the Japanese flag during Emperor Akihito's journey along the Mall yesterday. Photograph: Paul Hackett

## From 200 throats, the voice of outrage



John Walsh

THE BOOING started as the royal limo turned into The Mall at 12.46pm. The Queen, in glowing pink, waved graciously at the crowd. Beside her, Japan's Emperor Akihito looked for someone to wave at but found only a line of elderly servicemen and tight-faced widows, some wearing their husbands' campaign medals, swathed in white banners reading "Prisoner of Japan 1941-45". And from 200 throats came a raucous hooting whose message no amount of imperial spin-doctoring could misinterpret: the voice of outrage at the cruelties visited on British soldiers and civilians in Japanese POW camps in the last war. As state visits go, it wasn't looking good.

As the second coach swept by, bearing the Duke of Edinburgh and the Empress Michiko, the boos redoubled. A cross-fire of

hated flew across the Mall. The Japanese looked rattled. Prince Charles, in an open carriage, leaned forward and tried to small-talk his Japanese co-riders through the turbulence. The diplomats looked round for hostile faces and found only a wall of backs. Were they watching some rival attraction in Green Park? No, they were showing contempt. They were mooning, fully clothed, at Hirohito's son. The Union Flag was ostentatiously draped over the rail-

ings while Rising Sun flags were in short supply, although the Mall was crisscrossed with Japanese Londoners, many apparently marshalled by the Japanese Chamber of Commerce and Industry.

Major Phil Daniel of the Royal Artillery spotted the Burma Star in his cap but said he felt no hatred for the Japanese. "I'm sorry for those who were in prisoner of war camps, but what more apology can they want from the Emperor? To go down on his knees before the Queen?" Major Daniel is part of the Burma Reconciliation Group, who have campaigned for 20 years to smooth Anglo-Japanese relations.

It would cut no ice with Pieter Schoe, a Dutchman living in Wales, who was imprisoned, aged 16, when the Japanese invaded Java. "Every day there was

hard labour, no food. We were beaten with sticks, bicycle chains, anything. My father was taken away in April 1941, to the oil-fields of Sumatra. He died of starvation in June 1944. I read it on a noticeboard a year later. It's not the money that's needed, it's an apology."

The Association of British Civilian Internees, Far East Region take a different view. They claim the Government has failed to press for adequate compensation for its subjects - like Barbara Sowerby, who remembers the prison in Stanley, Hong Kong, where she went at five, to emerge five years later weighing two stone. Mrs Sowerby can still hear the sound of the Japanese guard's sword dragging along the path. "And when you heard it, you stayed lying on the ground until the sound had gone."

One of her brothers was bayoneted, another blown up. Mrs Sowerby and her husband aren't impressed with the apology so far tendered by the Japanese. "It's like saying sorry when you bump someone on the tube. We should

get proper compensation, because at least money is tangible." It was 1.30 when the crowd left the Mall. In Buckingham Palace the Emperor was getting ready to receive the Order of the Garter, shortly after his lunch.

### Today's news

#### Paisley calls the Queen 'foolish'

THE Rev Ian Paisley yesterday included the Queen in the list of targets he attacked at the opening news conference of the Belfast assembly elections campaign, calling the monarch "very foolish". Page 2

#### Sexual healing

ALMOST everyone who has had anything to do with Viagra, the new treatment for impotence, has had reason to smile about it - men of a certain age who have discovered they feel 20 again, their partners who have boasted of discovering they were married to a sexual Tarzan, and doctors who have acquired writers' cramp meeting demand for prescriptions. Page 3

## Indonesia fiasco could cost UK billions

By Terry Macalister

SOME of the United Kingdom's best-known companies could lose contracts worth billions of pounds in the wake of the collapse of the Suharto regime.

British multinational companies such as BP, RITZ and British Aerospace are waiting to see whether their connections with the Suharto government will jeopardise their investments.

The new Indonesian government had put on hold a £225m deal with Thames Water, on the grounds that contracts could have been awarded through nepotism. The eldest son of the former president Suharto was due to receive 20 per cent of profits, it emerged yesterday.

The Department of Trade and Industry yesterday warned companies to proceed with "caution". "We are aware that infrastructure projects are be-

ing cancelled either because of the currency problem or because of links with former president Suharto," an official said.

BP has devoted more than \$1bn (£600m) to building up its presence. The country's first polythene plant, PT Peni, is 51 per cent owned by BP while Suharto's eldest son Sigit owns 9 per cent. The company confirmed the links but could not comment on reports that Suharto's second son, Bambang, con-

trolled the company which supplies half of Peni's feedstock. A spokeswoman said: "Our investments were all straightforward commercial decisions. We have had no contracts cancelled."

Bae sold 44 Hawk aircraft to the Suharto government and was hoping to deliver 16 more. A Bae spokesman said: "Our involvement in Indonesia has always been with the government and it is up to them how they deal with their internal affairs."

RITZ has been involved in a copper and gold mining scheme handled through a company, Freeport McMoran, owned 11 per cent by RITZ. The Indonesia Human Rights Campaign claims stakes are held by the government and charitable foundations established by Mr Suharto. RITZ said it could not confirm other stakeholders were but did not "anticipate any problems". Thames Water's deal, page 6

## Jean engineers grow their own denim

By Michael McCarthy  
Environment Correspondent

BLUE cotton has been genetically engineered by Monsanto, an agricultural biotechnology firm, the company said yesterday. The development, revealed at a London seminar, is aimed at revolutionising the jeans

market, worth more than \$10bn annually in the US and more than £800m in the UK.

Monsanto's scientists are understood to have transferred a gene from a plant with a blue flower - they will not say which one - into a cotton plant, producing a 'bud' that is bright blue instead of white.

"When I saw it, it blew my mind," said Carlos Joby, the company's director of sustainability for Europe. "It is the colour of the sky on a summer's day."

Monsanto claims the naturally-coloured fibre could do away with the pollution caused by large amounts of toxic dye used in the manufacture of

blue denim, often in the Far East. The new cotton, the company says, is scheduled to be commercially available in 2005.

It has been grown in growth chambers and greenhouses in Monsanto's research laboratories in St Louis, Missouri, and Davis, California, but has not yet undergone field trials.

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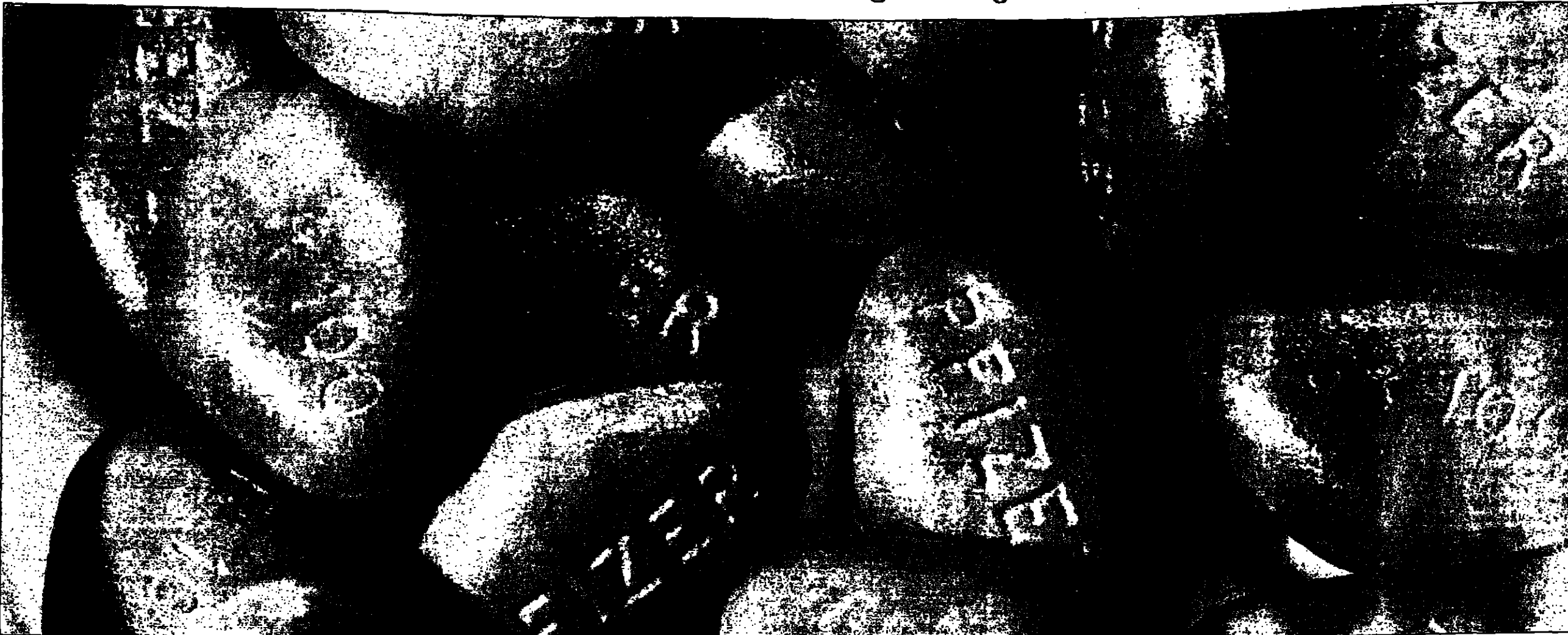
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**The truth about Viagra:** It's a miracle – or is it? Men can't get enough, but there are questions over its safety



Viagra – the drug (above and on sale below) that has prompted an insatiable demand among impotent men – and in those who just want a good time; but the euphoria is overshadowed by the deaths of six men on the drug Photograph: Peter Jordan

# Sex, hype and a little blue pill

By Jeremy Laurence  
Health Editor

IT MIGHT be called the happiness pill. Almost everyone who has had anything to do with Viagra, the new treatment for male impotence, has had reason to smile about it – men of a certain age who have discovered they feel 20 again, their marriage partners who have boasted on American television of marriage to a sexual Tarzan, and the private doctors who have acquired a writer's cramp meeting the demand for prescriptions.

The wave of joy unleashed by the little blue pills has not stopped there. Investors have watched the share price of Viagra's manufacturer, Pfizer, respond like the organ at which it is targeted, almost doubling in price to around \$120 (£70).

It has been claimed to be the fastest-selling drug in history, to have ushered in a sexual revolution as great as that produced in the Sixties by the contraceptive Pill, and to have "smashed the citadels of American puritanism" by opening up discussion of erections, orgasms and oral sex on the airwaves. As the *Independent's* former US correspondent, John Carlin, noted: "Americans have learnt to talk dirty."

Not only Americans. In Spain almost every magazine has put Viagra on its cover. The influential *El País* newspaper devoted its Sunday colour supplement to the pill, promising "a new golden age of sexuality". Spanish men are reported to be thronging the pharmacies of Andorra and Gibraltar, where the drug is freely available – at a price. Andorra ran out a week after packets went on sale early in May at up to 87,000 pesetas (nearly £350) for

30 pills. Commentators have observed that the Viagra phenomenon has tapped into the growing insecurity of the Spanish male, his self-esteem humbled and diminished over 20 years as Spanish women's independence has blossomed.

Public reaction in France has been more muted – a mixture of amusement and curiosity. The French press was among the first to warn of the drug's potential risks for heart patients, and the French health minister, Bernard Kouchner, announced yesterday that he was calling a conference of experts to discuss its benefits and possible risks.

German health funds are worried that Viagra will bankrupt the system. It has been calculated that if every male of appropriate age takes eight Viagras a month, the total cost of increased sexual performance would be 10bn German marks to the health service.

Just how great a revolution Viagra heralds is in some doubt, however. A black market has sprung up as the first worries about side effects have emerged – the pill gives some men blue vision and, more seriously, is be-

ing investigated for its links with six heart-attack deaths in the US – and it is already being used to justify dubious sexual behaviour.

Jerry Springer, the US talk-show host, blamed Viagra when he was caught frolicking with a 21-year-old porn star, Kendra Jade, shortly before she appeared on his show. "That Viagra made me lose my mind. I thought I was some kind of sexual superman," he said.

Critics say it has provided not the lesson (learned with the advent of Aids) but the licence to talk dirty in a culture that has become over-sexualised, over-demanding and where millions have been made to feel that without the drug they may be missing out.

Viagra, whose chemical name is sildenafil, works by blocking an enzyme called phosphodiesterase which causes erections to subside. It was discovered by British researchers testing it as a treatment for heart disease on student volunteers who noticed it had a pleasing side effect.

Journalists, normally guarded about their sex lives, have shown an uncommon readiness to share the secrets of the bedroom with their readers in return for a chance to try it. The *Sun* gave it to New York-based reporter Drew Mackenzie, 47, and his wife Emily, 39, and printed their separate accounts of the experience under the headline "My night testing miracle sex pill." Mr Mackenzie duly reported how the pill introduced him to his 18-year-old self, while Emily confided: "Just between you and me, girls, it did make him feel a different man."

In the *Daily Mirror*, Anne Williams, 37, described how she decided to try it for herself. One night and multiple orgasms later, after dispatching her weary partner to work, she wrote: "Once Viagra kicks in, your only interest in pleasure. Having an orgasm – or three – is easy."

With this kind of publicity, a black market in the drug was inevitable. A licence is not expected to be granted in Britain before the autumn but British men – and women – have been obtaining it by mail order via the Internet from sources in the US which are less than scrupulous about checking medical histories. Charges are around £15 a pill plus £50 for the "consultation". Pfizer is in discussion with the health department over what can be done to curb these unauthorised sales.

Private clinics in London and elsewhere are also falling over themselves to offer the drug, which they can do legally, in advance of its receiving a UK licence, on a "named patient" basis. This means they must keep a record of every patient to whom they prescribe it and take special care over examining and treating them. However, reports are already emerging of patients with no impotence problems obtaining

the pills from some clinics with a minimum of checks.

A spokeswoman for Pfizer deplored the recreational use of the drug. She said: "This is a serious treatment for a serious disorder. It is not something that should be trivialised."

What accounts for Viagra's success? It is not the first treatment for impotence, but it is the first to be made available in pill form. Nor does it produce an instant erection, as the injectable treatments do, but responds only to psychological and physical stimulation. It has to be taken an hour before sex but a faster-acting version is being worked on. The launch of a new

drug tends to follow a roller coaster pattern. First there is euphoria as doctors enthuse about it and patients turn up in droves demanding it. Then the first side effects appear (as has just occurred with Viagra) and there is a slump in enthusiasm as people start to ask whether the risks outweigh the benefits.

Finally, when the scares subside, prescriptions rise gently to a lower but sustainable level as doctors learn which patients can genuinely, and safely, benefit.

In Viagra's case, this roller coaster ride looks like being exceptionally swift. With prescriptions in the US, where the drug is licensed, running at

100,000 a week little more than a month after its launch, the first setback came last week. The Food and Drugs Administration announced that it was investigating six deaths from heart attack among men who had been using Viagra. The company's share price instantly dropped.

It is unclear whether the men died because of an interaction between Viagra and the medication they were taking for heart problems or whether the effort involved in unaccustomed sexual activity was enough to trigger an attack. A spokeswoman for Pfizer said yesterday that information leaflets issued with the drug warn it should not be taken in

combination with any heart treatment containing nitrates. "This was well known to the FDA and should be known to the physicians prescribing it," she said.

However great the care in prescribing, further deaths cannot be ruled out. The causes of impotence are varied but they include diabetes, prostate and bowel problems and mainly affect older men. In other words, they are people who are already vulnerable and in some there may be hidden heart disease. No human activity is free from risk – especially one engaged in by a man of 70 who has been made to feel as if he's 20 again.

Leading article, page 18



Phillip Hodson

## ...and what it says about men

WE DIDN'T wait for Bob Dole to say Viagra had put new life into his erection campaign. As soon as we heard American men were queuing to fill their Viagra prescriptions, the effect in this country was instantaneous. Computer pros scoured the Internet. Hayley Street was besieged. The Impotence Association recorded a 600 per cent increase in calls to the Helpline in the first week of May alone, and the association's director, Ann Craig, asked its trustees to fund additional phone-lines.

This virility frenzy had a single purpose: to secure a supply of a new drug which probably won't receive a UK product licence or be available on the NHS before September.

Why has sildenafil citrate (Viagra) touched such a universal nerve among men? It's not as if the world has been starved of effective impotence remedies. Products like Caverject and Erectos have been providing us with hands-free erections for years. Just re-



cently, MUSE came out – or rather was put in – as men started inserting little potency pellets into their penile ends.

In fact, doctors and drug companies have had impotence under control for a decade. They now know that 75 per cent of all impotence among the estimated 2.3 million UK sufferers has an organic basis.

Viagra, it turns out, delivers less instantaneous results than some rival products; Caverject will give you an erection whether you like it or not, while Viagra still requires you to get turned on. Not only that, you have to premeditate your usage, which

can make timing a little tricky.

So, unless we're looking at the greatest marketing con in history, the Niagara of inquiries has been stimulated by Viagra's one undisputed difference – its oral delivery system. As Dr Alan J Riley, Chairman of the Impotence Association, says: "Because it's easy to take, men will take it."

But my own experience with impotent patients would suggest that something slightly more complex is happening. What, for instance, is so wrong – or unmanly – about the alternatives? Caverject comes with its own neat, disposable syringes. I discussed this with one chap who said that if I thought he was the sort of casually who had to stick a needle in his prick (or vice versa) then I was the one who needed help. I got the same pointed reply about MUSE.

Or, perhaps, it's easy for men to pretend there's nothing really the matter if a little pill cures the problem.

The enthusiasm for Viagra is almost too revealing. Not only

does it show that we have a very large impotence problem in the UK, it also seems to indicate a pent-up desire among men to regain their sexual confidence – perhaps battered by the endless media emphasis on performance. Viagra for anxiety then?

While interviewing last month for an article on male sexual insecurity for *Woman's Journal* I met an investment manager who talked of laying in a supply of Viagra even though his marriage is free of sexual difficulties. "As a bloke," he said, "it's always good to know you've got back-up."

But there's no pleasing everyone: "Having heard nothing all week except about the wondrous powers of Viagra, I am for the first time in my life almost off sex. What the hell is the use of trying for a good performance now that everyone and their uncle has become Don Giovanni?" (Bibi, the Spectator). The author is a fellow of the British Association for Counselling and a trustee of the Impotence Association.

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# Nurses release 'blood money'

By Linus Gregoriadis

THE two British nurses last week freed from a murder sentence in Saudi Arabia gave the go-ahead yesterday for "blood money" to be released to the brother of their alleged victim.

Deborah Parry and Lucille McLauchlan have instructed their lawyers to give Frank Gilford the £740,000 he has claimed for waiving his right for them to receive death penalty.

The move to free the money came as it emerged that the Australian Foreign Secretary had expressed his concern to the British government about the delay in payment, and about reports that the nurses plan to sue Mr Gilford.

Rodger Pannone, Miss Parry's lawyer, said yesterday: "Miss Parry has given instructions that the money should be released. The instruction has to be sent to the trustee in charge of the bank account where the money is and should be with Mr Gilford within a few days."

He added: "I understand that Lucille McLauchlan has issued similar instructions."

Michael Burnett, the nurses' Australian lawyer, said yesterday: "I have just received a fax with instructions for the money to be released... the money should be released in the next day or two."

Mr Pannone dismissed speculation, fuelled by the nurses' Saudi lawyer, Salah al-Hejailan, that they could sue Mr Gilford for more than £1m because his demands for the blood money amounted to "mental torture" and "blackmail".

Mr Pannone said: "I think it would be very unlikely that Miss Parry would sue Mr Gilford. Mr Hejailan is like any other lawyer in the world. He can give advice to his client, but it is up to the client to decide and instruct the lawyer. The lawyer cannot take action without the instructions of his client."

William Boyle, the Scottish lawyer representing Miss McLauchlan, said yesterday: "Lucille's position at the moment is simply getting herself settled in this country and no one is considering any other action, not even for £1m."

"The only action she would be taking would be to establish her innocence and I am considering my position on that."

Speaking before it was revealed that the money would be paid, the Australian Foreign Secretary, Alexander Downer, said: "We are very angry that the money still hasn't been released despite the fact that the British nurses have gone back to the UK."

A spokesman for the Australian High Commission in London said last night: "The minister [Mr Downer] indicated that he had asked the British High Commissioner to pursue the matter in Australia. He also asked the High Commissioner here to pursue it in London."

Mr Gilford agreed to waive his right to demand the death penalty imposed on Miss Parry last year by a Saudi court, which found her guilty of stabbing Miss Gilford to death in December 1996.

He is expected to keep only £22,839 of the money which was raised by British companies in Saudi Arabia. His mother will receive £3,700 and the rest will be used to pay legal bills and build a surgery in his sister's memory.

Miss McLauchlan and Miss Parry arrived home last week after King Fahd of Saudi Arabia commuted their sentences to the time they had already served in jail.

Both women have denied the murder and claim that they confessed only after being beaten and threatened with rape by the Saudi police.

On hearing that the two nurses had sold their stories to national newspapers Mr Gilford said: "If anything is classed as blood money, I'd say that is blood money - casting in on Yvonne's death."



The survey ranked Britain 12th out of 15 countries for forest management and protection

Photograph: John Lawrence

## IN BRIEF

### Marine jailed for attack

A VETERAN Royal Marine who carried out a road rage attack on another motorist after a Remembrance Day service was jailed for 28 days yesterday.

Michael Bellinger, a 38-year-old recruit troop sergeant, is to appeal against the sentence imposed by magistrates in Exeter, Devon.

The court heard that Bellinger jabbed a metal steering lock through the open window of another motorist's car after they stopped at a roundabout in November last year. Bellinger, of previous good character, had pleaded guilty at an earlier hearing.

### Boy hanged

A BOY of 11 was found hanged in a cupboard after being smacked on the bottom in a family row over pocket money.

Gavin Parry ran out of the room at his grandmother's home in tears to seek a hiding place.

His family, of Blaenavon, near Pontypool in Gwent, assumed he had gone outside in a bad temper.

When there was no sign of him they started searching the house and eventually found Gavin hanging in a cupboard.

### Britons hurt

TEN British tourists travelling to the Expo-98 world fair in Portugal were injured yesterday after their coach swerved sharply while trying to avoid a crash.

Two Portuguese men - a passenger on the coach and the driver of a lorry involved in the crash - were killed. A total of 26 British and German tourists were injured in the accident which occurred 16 miles south of the Portuguese capital Lisbon.

### Linda tribute

SIR PAUL MCCARTNEY has made his first public outing with his family - and lit a candle to his late wife Linda, it emerged today.

McCartney and his son, James, stopped at Notre Dame Cathedral in Paris. Linda, 56, died last month after losing her battle against cancer. A public vigil will be held on 8 June, in Trafalgar Square, London.

## UK forests among worst in Europe

By Diana Blamires

BRITAIN has one of the poorest records of protection and management of forests in Europe, according to a World Wide Fund for Nature survey which ranks the United Kingdom 12th out of 15 countries.

WWF has published its own league tables of standards to highlight the crisis facing European forests, which are threatened by air pollution, fires, erosion and deforestation.

Switzerland was top of the class while Britain languished near the bottom, with its forests only considered to be marginally better than those of Spain, Belgium and Denmark.

Dr Steven Howard, WWF UK's senior forests officer, said: "It has taken thousands of years to reduce the UK's forests to their current impoverished state. As the millennium approaches, it is time to reverse

the trend of degradation and destruction."

Although Europe's forest cover has been expanding in recent decades, only 2 per cent of its forests can be classified as old growth and the quality of the forests is falling all the time. Almost two-thirds of Europe's forests have already been lost and 98 per cent of the remainder are still unprotected.

The report acknowledged that the British Government has made a public commitment to increase both the area of native woodland and protected areas of forest, but the WWF claims Britain has virtually no natural forests left.

The WWF provides a comparative picture of the status of forests and policies in 15 countries. The report has been issued to coincide with the Third Ministerial Conference on the Protection of Forests in Europe, in Lisbon from 2 to 4 June.



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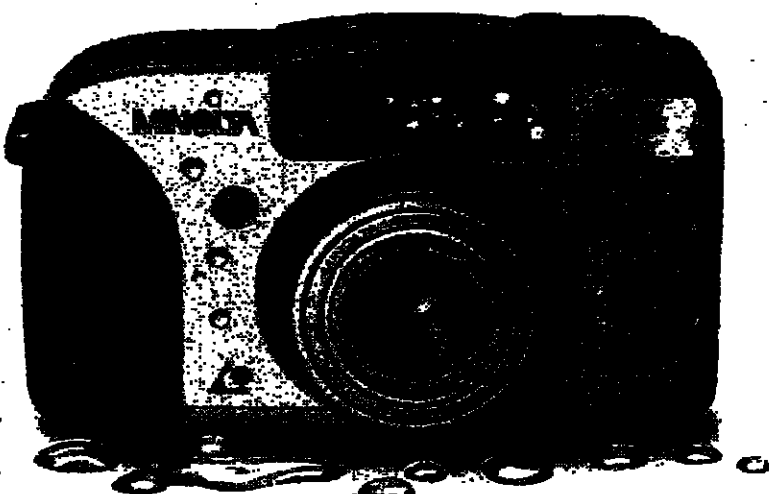
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# The family that claimed £1.8m welfare benefits

By Colin Brown  
Chief Political Correspondent

A NEW unit set up to crack down on social security fraud has uncovered a racket involving one family which has been responsible for alleged fraud totalling £1.8m.

The extended family said by ministers to include more than 10 members is facing prosecution over allegations for falsely claiming £600,000 in welfare benefits, including housing benefit. It is also alleged to have

defrauded building societies of £1.2m in a linked fraud involving mortgage claims.

They were caught by a pilot local government task-force set up to target organised housing benefit fraud across the capital, an initiative which may be copied across the country.

A social security investigator spotted that they were making a large number of claims for family credit.

When challenged, the family dropped the claims but they were pursued and a compli-

cated network of organised fraud using aliases was uncovered.

Scotland Yard said five people, three women in their 30s and two men, both aged 37, were arrested during raids on four addresses in Stoke Newington, north London, last month. A sixth man was arrested the same night at Gatwick airport as he returned from the United States.

The operation was carried out jointly by the London Organised Fraud Investigation

Team, set up 18 months ago to examine bogus claims in the capital, and Scotland Yard's Fraud Squad.

The family, which cannot be named because legal action is pending, were released on police bail.

Frank Field, the social security minister, used the family yesterday as an example of the new approach he is spearheading in tackling fraud in the welfare system, which could run to millions of pounds a year.

The new 20-strong unit, which includes former police officers, has already uncovered evidence that benefit fraud is being carried out by organised criminals and in some cases involves national networks of bogus claimants.

In the past, fraudsters were able to avoid checks on multiple claims because local authorities had no way of cross-checking claims across the capital.

Mr Field, a former chairman of a Commons select committee on social security, which called for action against or-

ganised welfare fraud, was recently told by Tony Blair to take over responsibility for tackling fraud from John Denham, a junior social security minister.

Fraud investigation officers are now using powers, from last year's Social Security Administration (Fraud) Act, which allow small-scale offenders to avoid prosecution by agreeing to repay overpaid benefit, plus an "administrative penalty" - typically 30 per cent of the amount defrauded.

Both the overpayment and

the fine are deducted directly from future benefits. Previously, criminal prosecution was the only available sanction.

Mr Field stressed that although the fines system was a useful way of keeping small-time offenders out of the "rigmarole" of the courts system, prosecution remained an option for big-time offenders.

"No one need think that the use of new administrative penalties for benefit fraud will mean that we will not continue to take tough action against

fraudsters who make organised attacks on the system," warned Mr Field.

"We want to show that we are not obsessed with individual claimants, but are addressing the sustained attack the department is under from organised criminals. The task of government is to be vigilant and try to get counter-fraud techniques in front of where the able gangs are."

"It's important that it goes back into the system that a new age has started."

## Thomas Cook ventures into timeshare sales

By Kate Watson-Smyth

TIMESHARE holiday representatives have long had a bad reputation for their high-pressure selling techniques but one of the UK's largest travel agents yesterday announced that it was to enter the market.

Thomas Cook said it would be promoting "upmarket properties" in the UK, the Mediterranean, Florida and New York and promised that it would

such as Disney and Marriott who have extensive experience of time-share resorts.

"In addition to that people will buy their timeshare in Florida, for example, but they will be able to exchange it for a week in New York if they want, so there is more flexibility."

Nearly 40 per cent of all time-share properties owned are in the Canary Islands, with a further 20 per cent in Spain and 19 per cent in the UK.

Neil Cooper, chief executive of the Time Share Council, said the organisation was delighted that Thomas Cook had endorsed the industry.

"Timeshare used to have a very bad reputation, mainly because of the hard-sell but there has been legislation to change all that and there is much more confidence in the product nowadays," he said.

"It is now illegal to buy a timeshare property until you return home which allows the person to really think about whether they can afford it."

"There is also a cooling off period when you can back out of the contract, which has put an end to a lot of the hard-sell because people know they can change their minds."

"Timeshare has really lost its stigma nowadays. When you buy a time-share you buy a week in one resort, but you can swap that and go somewhere else so what you actually get is a giant international exchange organisation."

The number of UK timeshare holidaymakers has grown from fewer than 500,000 in 1987 to around 1.1 million in 1997.



Children in Southwark, south London, rehearsing for 'Seven Sacraments', an oratorio by Neil Bartlett, artistic director of the Lyric Theatre in Hammersmith, west London, and composer Nicholas Bloomfield. The event, which features 150 musicians, dancers and singers, is being performed at three churches: St Bartholomew's, in Brighton, Southwell Minster, in Nottinghamshire, and Southwark Cathedral. Photograph: John Voos

## Police shot dead suspect despite 'no evidence' of crime

By Jason Bennetto  
Crime Correspondent

A POLICE force, whose officers shot dead an unarmed man in his bedroom, had "no evidence" to suggest he was responsible for the crime - an attempted murder - that they were investigating, an independent inquiry said yesterday.

James Ashley, 39, was shot

as he stood naked by his bed in his flat in St Leonards, East Sussex, last January. He was hit once in the chest after officers burst into his flat at 4am.

In 1993, he was jailed for two years for the manslaughter of a man he killed during a brawl in a pub in Eastbourne.

Shortly after the shooting, Paul Whitehouse, the Chief Constable of Sussex, said officers

had been investigating alleged drugs trafficking and the attempted murder of a man stabbed outside a pub in Hastings.

He added: "I am satisfied that the operation was carried out properly. The decision to mount the operation with armed officers was correct and the planning was carried out carefully."

But the independent Police Complaints Authority yesterday

issued a statement saying there was no evidence on the police file to indicate that Mr Ashley had carried out the stabbing the police were investigating.

Four officers, a superintendent, two inspectors and a constable, were suspended from Sussex on full pay on Saturday.

Tony Williams, a member of the inquiry team led by Barbara Wilding, Assistant Chief Con-

stable of Kent, said in a statement yesterday: "Since the fatal shooting of James Ashley on January 15 there have been various references which either state or might imply that he was being sought by Sussex Police as a suspect for a stabbing incident that occurred on January 7."

"As part of the continuing investigation into the shooting, officers have examined the file

relating to this incident. It is clear that there was no evidence to indicate that Mr Ashley carried out this stabbing."

"In fairness to the deceased and his family, we feel it is important to make this clear."

At the time of the raid, police arrested three other men at other addresses in the town.

Sussex Police declined to comment yesterday.



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**Water firm fiasco:** Ex-president Suharto's high-living eldest boy was at the heart of a contract which would make him a fortune

# A muddy deal in the name of the son

By Steve Boggan in London and Richard Lloyd Parry in Jakarta

THE ELDEST son of the former Indonesian president Suharto was due to receive 20 per cent of profits for 25 years from the Thames Water contract to supply half the citizens of Jakarta, it was disclosed yesterday.

In return, all Sigit Hardjojudanto was to have provided was "local and legal knowledge and political know-how" to ensure the smooth running of the £450m deal, of which Thames's venture would earn half.

The contract, which may now be scrapped by the post-Suharto government amid claims of nepotism, is an indication of the iron control that has been wielded over investment in Indonesia by the Suharto family. Foreign companies wishing to do business in the country had to join forces with an Indonesian partner company - many of which had links to Suharto's immediate family or a chosen group of cronies.

The Thames Water saga is a perfect illustration of the way the Suhartos went about the business of enriching themselves at the expense of foreign investors and their own citizens. In 1989, the Central Intelligence Agency estimated the wealth of the Suharto family - the president and his four offspring, the brothers Bambang, Tommy and Sigit, and their sister, Tutut - at \$30bn (£19bn).

Before Mr Suharto resigned last week after 32 years as Indonesian dictator, they had unimagined control over huge areas of economic and political life: a son-in-law was a rising general, a daughter was chair-

woman of the ruling party and their business interests encompassed everything from airlines, telecommunications, hotels and toll roads to sugar and oranges.

In the early Nineties, Sigit, 46, wanted to extend that control to water. A major shareholder in the top-ranked Bank Central Asia and a man whose wealth was put at \$454m in 1996, Sigit and his family have been the subject of considerable adverse gossip in Indonesia. He gained notoriety as a gambler in his youth, but still went on to manage a lottery that was dropped after Muslim groups declared it to be gambling.

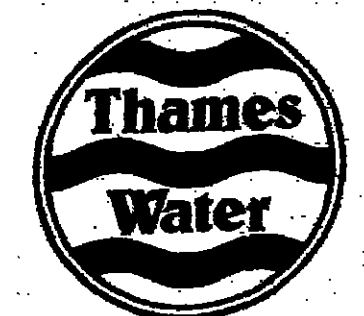
Known as a man with a taste for impeccable clothes and expensive cars, Sigit is soon expected to move into billionaire status because of a deal he has done with a Canadian mining company to extract 57 million ounces of gold worth £12bn from Indonesia's East Kalimantan province in Borneo.

His wife, Elsy Anneke Ratnawati, was embarrassed when she was unmasked as an aggressive share buyer on the Singapore stock exchange in 1995. And even his son, Ari Haryo Sigit, a well-known party animal on the Jakarta circuit, astonished the population with his greed at only 24 when one of his companies imposed a levy on beer and alcohol sales in Bali in 1996. The then president Suharto had to intervene personally to remove it.

According to Thames Water, now the world's third largest water company, a representative of Sigit approached them, possibly in 1994, and they were invited to submit a feasibility study on improving Jakarta's water supplies.



Children playing in an open sewer in Jakarta. Indonesia had awarded a lucrative water-supply deal for Jakarta to a consortium including Thames Water, headed by chief executive Bill Alexander (above). The consortium was a joint venture with Sigit Hardjojudanto (top), the eldest son of ex-president Suharto



Thames, which says that it behaved properly at all times, had to link up with Sigit's company, PT Kekar Plastindo, which in turn took 20 per cent of the joint-venture water company, known as Kati.

"We were to provide the technical expertise to improve and manage the water supply system," said Clare Bonney, a Thames spokeswoman. "Mr Sigit's company's role was to provide the local and legal knowledge and political know-how essential in starting up this kind of venture."

Asked what his company was to receive in return, Ms Bonney said: "Twenty per cent of any profits over the lifetime of the contract." The contract was to run for 25

years. She added, however: "His company did have a valuable role to play. They weren't getting money for nothing."

Thames said that it had to negotiate the deal for three years, from June 1994 to June 1997, before it was finally awarded the contract. However, a letter dated July 1995 from Radinal Mochtar, the minister of public works, to PAM Jaya, the old city water company, suggests that the deal was already sewn up by Sigit, something Thames said it knew nothing of.

The letter informs PAM Jaya that Sigit's company - Thames's partner - was to supply east Jakarta, while a consortium led by Soediono Salim, one of Indonesia's richest men and a Suharto crony, was to

control the other. The decision was taken, it said, "in the meeting room of the Minister of Public Works on 15 June 1995".

It came as a blow to the PAM Jaya workers, who had been given \$1m by the World Bank to put together a feasibility study on which to base a bid of their own.

To Thames Water, however, the deal was as straightforward as any ever was with Indonesia. "It was a fact of life that you had to have a partner company and there would always be a member of the Suharto family attached to it in one way or another," said Ms Bonney. And it would be difficult to argue that Thames Water could not improve a system that was supplying water to only 20 per cent of homes

in Jakarta on an intermittent and low-quality basis.

To the Suharto family, it was simply the latest in a long line of deals aimed at self-enrichment.

In 1990, the American telecommunications firm AT&T and Japan's NEC and Sumitomo were competing for the right to supply \$300m of telephone equipment to the Suharto regime.

Those in business privately estimate the hidden cost of Suharto at 25 to 30 per cent of a contract, so the Americans and Japanese accepted quickly to buy the support of his children. The Americans engaged as their "agent" his oldest daughter, Siti Hardijanti Rukmana, known as "Tutut". The Japanese hired Hutomo "Tommy" Mandala

Putra, the youngest boy. Mr Suharto's anxious officials, presented with the dilemma of choosing between two of the then president's offspring, came up with an ingenious solution: they doubled the size of the contract, and awarded the prize jointly.

In 1996, Tommy was also in charge of a joint venture with the Korean car firm Kia to produce an Indonesian national car, known indelicately as the "Timor". Determined to make the car and Tommy appear successful, Mr Suharto exempted it from import duties and the 35 per cent luxury tax imposed on its rivals.

As a result, Tommy's Timor hit the road at about \$10,000 - almost half the cost of similar imports.

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# Schools depend on 'second-best' staff

By Ben Russell  
Education Correspondent

SCHOOLS are having increasing difficulty recruiting high quality staff, headteachers said yesterday.

They warned that graduates with good honours degrees were shunning schools in favour of better salaries elsewhere, and said headteachers were being forced to employ second-best candidates rather than leave vacancies unfilled.

The National Association of Head Teachers said there was "a dire" shortage of people entering teacher training and a severe lack of candidates coming forward for headteacher posts.

NAHT general secretary, David Hart, warned that the crisis threatened to undermine the government's efforts to raise standards.

Speaking at the start of the NAHT conference in Eastbourne, East Sussex, Mr Hart yesterday proposed giving teachers an element of performance-related pay to encourage graduate recruitment.

He said: "Urgent action has to be taken. We need a modern pay structure to attract good honours graduates into the profession."

They won't be put off by a performance element in the system. It won't be crude. I'm not in favour of performance-related pay, I'm in favour of paying good teachers, good salaries."

Mr Hart said the recruitment crisis would only worsen as the economy improved and graduates had greater career choices. "It's deeply worrying because unless we can recruit good honours graduates into the profession, we will be asking schools to fight the good fight over standards with one arm tied behind their backs," he said.

Figures produced for the union by leading education analyst John Howson suggested that only 10,300 teachers would come into the profession this year, nearly 5,000 less than needed in schools. He predicted major shortfalls in virtually all subjects.

The latest figures already show large falls in the number of graduates entering teacher training in almost all subjects. Entrance to maths courses were down by 26 per cent, the largest fall, while the number of entrants specialising in science fell by 21 per cent.

Recruitment of primary school teachers exceeded targets, but heads warned that targets had been set too low. Statistics compiled by the union show one-quarter of primary headships were unfilled in the Home Counties; in London the figure is 43 per cent.

Mr Hart said the situation was "a timebomb ticking under the government", despite its high profile attempts to promote teaching as a career. A television, cinema and billboard campaign was launched earlier this year under the slogan "Nobody forgets a good teacher".

Headteachers at the conference complained that it was increasingly difficult to attract staff for jobs and warned that

many schools were surviving on supply cover alone.

Neil Thornley, head of Fearn High School in Lancashire, said he had spent a year trying to recruit a deputy head of maths. He said: "All we were looking for was someone who had done four years of teaching. It took us 12 months to appoint and our final long list was only nine people." He said that only one of the applicants had an honours degree in maths.

Mike Russell, head of Edward Redhead Junior School in Waltham Forest, east London, said: "We are looking at people putting themselves forward with limited experience and limited practice."

He said teacher numbers hid the real situation in schools.

"We don't look to see how many of them are supply teachers from Australia, spending a term in a school on their way round the world."

Mick Brookes, head of Sherwood Junior School in Nottingham, added: "If a school is faced with having a class of children without a teacher in front of it and having a candidate who is not such a good candidate, they are going to go for that person."

■ All schools are to be sent guidelines on how to deal with paedophiles who move into the area, headteachers said yesterday. Under new procedures agreed between heads and chief constables, police will inform schools if dangerous sex offenders move into the neighbourhood and advise teachers how to react and whether to inform parents.

The guidelines are a response to a series of high-profile incidents. David Hart, general secretary of the NAHT, said: "The guidelines would protect heads and help schools best respond to the problem."

## Family may bring private murder case

By Jason Bennetto  
Crime Correspondent

THE family of the murdered gynaecologist Joan Francisco are "very likely" to bring a private criminal prosecution against the alleged killer within the next month, it was revealed yesterday.

The move follows a decision by the Crown Prosecution Service not to bring charges against the 27-year-old doctor's former boyfriend, Tony Diedrick, despite a judge in a civil case naming him as the murderer.

A lawyer acting for the Francisco family disclosed the plans for fresh legal action as his clients yesterday met with Sir Paul Condon, the Commission of the Metropolitan Police, to discuss their daughter's case.

In a landmark High Court ruling last March, Mr Diedrick, 38, was said by Mr Justice Allott to have "struck and then strangled" his former girlfriend in her London flat on Boxing Day 1994.

The Francisco family was awarded £50,000 damages against him for assault and battery, although he is appealing against the judgement.

Earlier this month the CPS announced that despite the outcome of the civil case, there was insufficient evidence for a criminal prosecution.

The family's solicitor, Taz Raza yesterday said: "I think it's very likely we will go ahead with a private prosecution within the next three or four weeks."

He said the alternative action - a judicial review of the CPS's decision - was also being considered but would probably take too long.

He argued: "The judge at the High Court concluded that Tony Diedrick murdered Joan Francisco. I don't see why if you put the same evidence to a jury of 12 ordinary people they will bring the same conclusion."

Dr Francisco's mother Venus and her sisters Margaret and Celia met Sir Paul at Scotland Yard yesterday.

Following the meeting Scotland Yard issued a statement saying: "The continuing investigation into the murder of Dr Francisco was discussed and it was made clear that police remain determined with their efforts to provide sufficient evidence to prosecute the person responsible for her death."

Mr Raza said: "The purpose of the meeting is to make certain that the file on Joan Francisco is going to be left open, and that the police will continue their investigations and continue to assist us if we do decide to take any private prosecution."

The civil action against Mr Diedrick was the first successful such action to involve someone who had never been charged with a criminal offence.

The case was decided on the civil standard of the balance of probabilities rather than the criminal standard of beyond reasonable doubt.

The decision not to prosecute Diedrick was made jointly by the CPS and the police.



The museum, at Kew Gardens, west London, which was officially reopened yesterday by the Princess Royal, following a £2.4m restoration. Designed by Decimus Burton, it was opened in 1857 to illustrate man's dependence on plants, but closed in 1987 because of its then poor state of repair. Photograph: Rui Xavier

## Fear of legal action prevented closure of E.coli butcher

A SENIOR food safety officer warned his colleagues to be careful in dealing with a butcher's shop because of a previous food scare case that had cost another local authority hundreds of thousands of pounds, it was claimed yesterday.

The E. coli inquiry in Moth-

well was told yesterday that the Lanark Blue cheese case was mentioned by Graham Bryceland, head of protective services for North Lanarkshire Council.

He warned colleagues in the outbreak control team fighting the E. coli O157 food

poisoning epidemic to be cautious if considering closing John Barr, the Wishaw butcher.

The warning came from Mr Bryceland, said his colleague Jeff Tomer, a principal environmental health officer who gave evidence at the inquiry under cross-examination by Paul

Santoni, a solicitor for relatives of one of the 21 people who died in the outbreak.

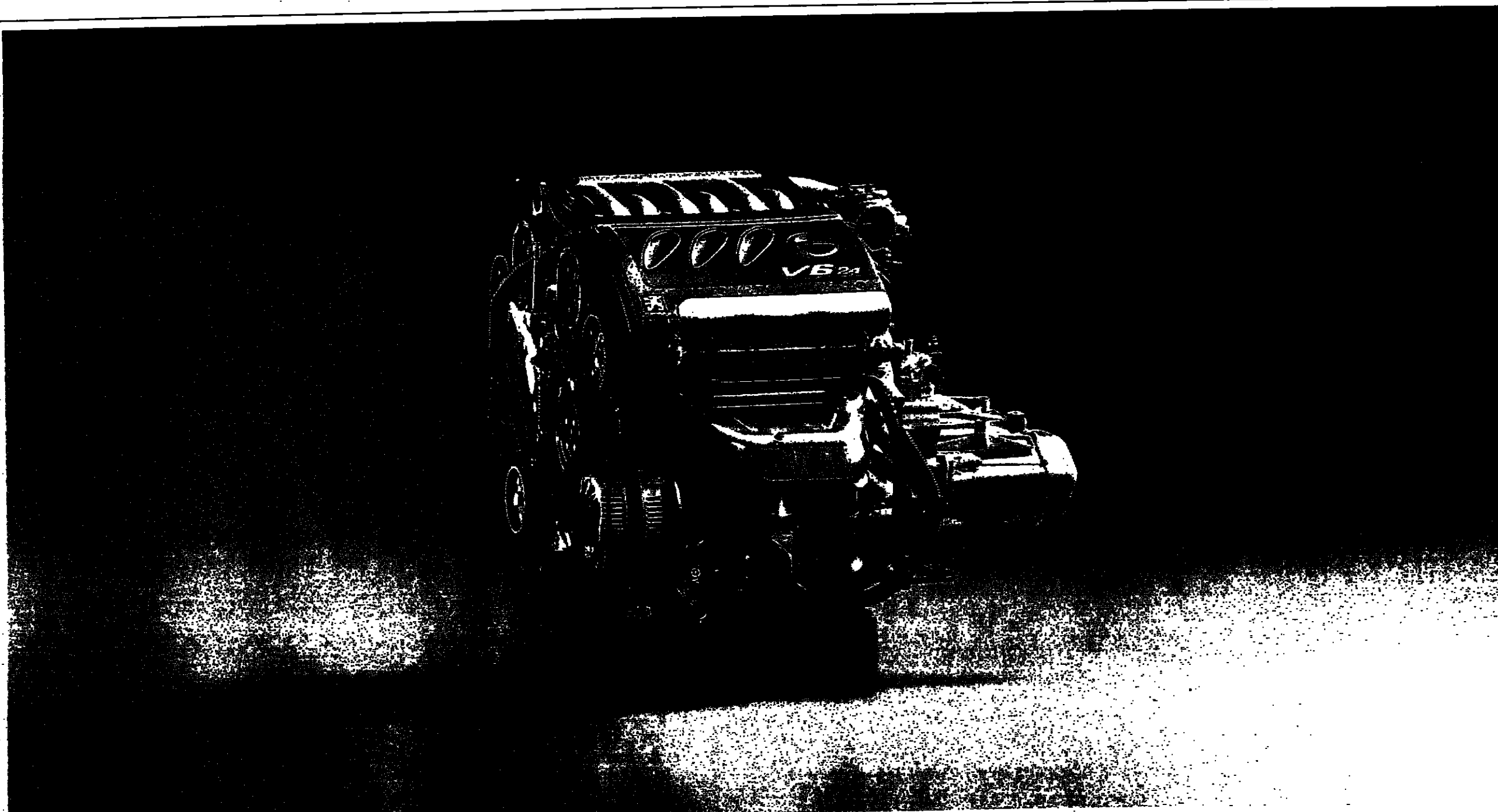
Mr Tomer suggested to Mr Tomer that South Lanarkshire had found itself in difficulties over the Lanark Blue cheese case and that this had been talked about early in the

food officers' investigations. Mr Tomer said that Mr Bryceland urged South Lanarkshire to be careful because Clydesdale Council had been sued after they "got themselves into trouble taking action which was not justified".

Clydesdale had tried un-

successfully to destroy one tonne of Lanark Blue, claiming it was unfit for consumption. But the cheesemaker won a court case and the council faced a £300,000 legal bill with £25,000 compensation for the seized cheese.

The inquiry continues.



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# Hospital 'closures' list leaves Tories blushing

By Colin Brown  
Chief Political Correspondent

JOHN MAPLES, the Tory health spokesman, was left with a red face last night after publishing a "dossier" of more than 100 hospital closures and cuts, allegedly planned by the health secretary, which included one hospital closed under the last Tory government.

Mr Maples was a Treasury minister when the Rye Hospital was closed. It was later reopened as a charitable trust but yesterday it appeared in his list of Labour's threatened NHS closures.

Frank Dobson, the Health Secretary, accused the Tories of running a list of "fantasy closures". These included the closure of either the Freeman Hospital Newcastle or the Royal Victoria Infirmary; four out of

five hospitals in Morecambe Bay; and two of the East Surrey or Crawley Hospitals and Ashford or St Peter's Hospitals.

"In each case, there are no closure plans at all. There are merely mergers of trusts taking place, which will improve services for patients," said Mr Dobson. One closure in Rye was carried out by the Tories two years ago, he added. A Tory spokesman said: "Yes, trusts have merged but as far as we are concerned, no guarantees have been made that the hospitals will not be closed down. Frank Dobson has still not come up with a list of those staying open. Until he does, we stand by our claims. We do not have the same access to information as Mr Dobson."

The Health Secretary said: "There will be some changes in the service some local hospitals provide, including some closures.

This is nothing new. But the Tories' talk of a systematic pre-planned programme of hospital closures is simply nonsense."

Mr Dobson did express concern about the closure of small maternity units across Britain. "There are changes going on and some of these changes I am very dubious about. One of the biggest problems is the threat to maternity units in smaller hospitals," he said.

"It comes not from the Government but from the fact that the Royal College of Obstetricians and Gynaecologists like bigger units because they don't like to recognise smaller units for training purposes. I want to look into that."

His remarks on BBC radio were welcomed by the Royal College of Midwives, which is campaigning for women to be given wider choice over mater-

nity units. Louise Silvertown, deputy general secretary of the Royal College of Midwives, called on Mr Dobson to order a moratorium of all closures, pending a review. "We are not saying no unit should ever be closed but we want to preserve choice for women," she said.

There is growing concern among midwives that smaller maternity units, particularly in rural areas, are closing, leaving pregnant women to travel up to 30 miles for scans, ante-natal care and to give birth.

The Royal College has written to Mr Dobson warning that women are being denied choice in maternity units because the Royal College of Obstetricians and Gynaecologists and the Royal College of Paediatricians prefer larger units for training their members.

Roy Lilley, page 19



Gordon Brown with finance minister Rudolf Edlinger in Vienna to discuss Austria's EU presidency Photograph: Reuters

## Honeymoon is over, says Blair

By Colin Brown

TONY BLAIR yesterday warned the Labour Party's ruling national executive that the next 12 months would be "tougher" than the honeymoon period that the Government has enjoyed since the general election.

The Prime Minister told the NEC that the Chancellor's comprehensive spending review was "an opportunity to put us back on track and will define the priorities of the Government". Gordon Brown is expected to produce more money in July for Labour's two key commitments on education and health. Mr Blair said extra investment in schools and hospitals was necessary but not the only answer.

His remarks were seen as a clear signal that the spending review could confront the party with hard choices involving cuts elsewhere in public spending. He said he expected it to be "tougher next year than it has been up to now".

Mr Blair gave his warning as the NEC endorsed changes in the rules by 14 votes to 2 which could increase the leadership's grip on the party at Westminster, and limit the threat of backbench rebellions.

Dennis Skinner and Ken Livingstone voted against the leadership, and other left-wing Labour MPs were threatening to campaign at this year's party conference against the changes, which they protested would produce more "Blairite" MPs.

Mr Blair defended a change in the rules which will make it simpler for sitting MPs to be re-elected by their constituency parties. For the first time, the whips will send reports on MPs' voting records to the NEC with the clear implication that trouble-makers will not be endorsed by the party leadership. "MPs consent to the whip before they come in," Mr Blair said.

The NEC is also proposing to set up an approved list of candidates for selection in seats where MPs retire or there is no Labour MP. The leadership insisted it would not stop constituency parties from choosing a candidate who had not been "pre-endorsed" by the NEC. However, such a candidate would face a "rigorous interviewing process" by the NEC.

Liz Davies, a former Labour candidate who was dropped by the NEC, protested: "Under these proposals every Labour MP who is selected will owe their job to the patronage of the Prime Minister."

## Ulster to resume exporting beef

NORTHERN Ireland is set to resume beef exports next Monday - more than two years after the mad cow scare closed the door on its markets around the world.

The formal announcement is expected in Brussels today when the European Commission approves the Province's computerised cattle monitoring system as a comprehensive safeguard against BSE.

A lifting of the ban in Ulster was agreed earlier this year by European Union farm ministers, but was put on hold until the Commission completed final checks on Northern Ireland's anti-BSE measures.

Now the battle is on among

Ulster farmers to win back their lost export market worth about £180m-a-year - 80 per cent of its beef is exported.

Early customers are likely to be the Dutch, and confidence is rising that the stigma of BSE has already been overcome in traditionally lucrative markets such as France, Italy and Spain. Months before the BSE crisis destroyed Ulster exports of beef, the Province had been celebrating a rise in exports, particularly to Scandinavia.

More than 20,000 jobs depend on beef production in Northern Ireland - 8 per cent of the workforce - and the Government has spent £1.5bn in aid to farmers and slaughterhouses.

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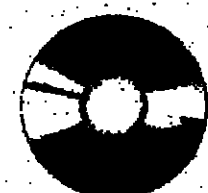
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# Disabled demand end to 'apartheid'

By Glenda Cooper  
Social Affairs Correspondent

THE Prime Minister was yesterday urged to help more children with learning disabilities integrate into mainstream schools, as campaigners called for an end to "apartheid" against disabled people.

Young people presented a letter to Tony Blair at Downing Street yesterday asking him to support a change in the law stopping local education authorities forcing disabled children into special schools.

Among the group were disabled youngsters fighting legislation to join

friends and siblings in ordinary schools.

While the law says society should not discriminate, Rights Now, the group which campaigns for civil rights for disabled people, says it does not always work in practice. Rachel Hurst, chairman of the group, says: "It's a kind of apartheid - we've been saying that for years. All the other things we have to put up with, being spat on, patronised and ignored are just the icing on the gingerbread."

A survey by Britain's leading disability care charity, the Leonard Cheshire, recently revealed that almost a third of the public believe those in wheelchairs are "less intelligent". More than half said they have

no contact with the disabled although one in ten people have a disability. Last week the Royal National Institute for the Blind revealed that among older blind or partially sighted people, nine out of ten have an income of less than half the national average and half were living on a weekly household income of less than £150.

"Imagine having to cope on an income well below the poverty line. Imagine being unable to get out and visit friends and family, go to the pub or even to the local shops," said Ian Bruce, RNIB's director general. "That is the harsh reality for hundreds of thousands of older people in the UK - because they have a sight problem.

It is quite simply a national scandal." At present the main legislation is the two-year-old Disability Discrimination Act. "It is the only protection we have, but it has no enforcement mechanism," said Ms Hurst. "And we can't afford to go to court. The act doesn't cover some of the most important areas, such as transport, housing and education."

A ministerial task-force recommended in December that a commission be set up. This has been accepted by the Government and must be implemented by the year 2000.

"I'm not sure whether it is the discrimination so much as the thoughtlessness

and lack of vision," said Jess Clare, manager of specialist services for Jewish Care. "But when it comes to employment there are lots of extremely intelligent people with university degrees who can't get jobs."

A spokesman for Mencap said that people with learning disabilities face similar prejudice. "People who are disabled face discrimination in all areas of their lives, whether it's finding a job, using the health service or going on holiday. There is a lack of understanding about what they can achieve. People can live independently with the right support."

"There is still much to be done. Last year a Mencap group going to the Costa

del Sol was not allowed to board a plane because the pilot said it wasn't safe."

"The Government has given a manifesto commitment to provide 'dignity and security in retirement,'" said Barbara Scott, manager of a residential RNIB home in Somerset. "However for older blind and partially sighted people, dignity and security are luxuries enjoyed by the small minority. Additional resources are needed on a major scale to tackle what is undoubtedly a national scandal."

"Long-term reform to pensions and the funding of social care will not meet the challenge, which is immediate, urgent and real."

RONALD TAYLOR

CORAL MCKENZIE

CHRISTINE DANCE



'All I want is a bit of understanding'

HAVING an obvious physical disability makes you an easy target for the prejudiced. But having a less obvious one, or a mental disability, can leave you just as open to discrimination.

Ronald Taylor suffers from hearing impairment and learning disabilities. He used to work in a leather factory making handbags and shoes. When the firm closed he found it impossible to get another job.

Not that he'd been treated that well when he was employed. Despite his ability to carry out skilled work he was made to do the menial tasks: "I was always the one who was made to run up and down everywhere, get everyone's breakfast, it was always my turn to make the tea. It hurt to be talked to as if I was a little kid, as if these were the jobs that I should do," he says.

Apart from people taking advantage of his learning disabilities, Ronald encountered lack of sympathy because of his hearing problems: "A lot of people don't understand when you're hard of hearing, that it's not that you're stupid, you just haven't heard what they said. They'll get in a temper with you and start to shout at you and it's not your fault. Say if I'm on the telephone and I have to ask someone to speak up they get really annoyed."

He has felt lonely and isolated, although he tries to maintain a cheerful outlook: "Since my mother died no one in the family has had anything to do with me. They don't want to see me or speak to me in case I'm asking for something. They assume I want money. All I want is a bit of understanding."



'People look at you with their mouths open and the first thing that pops into their mind is the mobility problem'

Photographs: David Rose

CORAL McKenzie is thinking of giving up trying to get a job, after a string of job interviews in which people saw her disability first and her abilities second.

"People look at you with their mouths open and the first thing that pops into their mind is the mobility problem. They think 'you're no good because you're not mobile,'" she says.

Coral, 32, from east London, had a stroke at the age of 21. "I just cried and cried. It was months of crying and I re-

alised it was turning into years of crying. I began to think I was going mad."

Before the stroke she had worked in the Post Office. She has taken a number of computer courses. Her attempts to use these skills in the workplace to help herself and others have met with failure.

"Just because you're not as mobile [as others] they don't care if you can do something as well as, if not better than, someone else," she says. "The last interview I went to, the man turned

round to me and said: "We would have given it to you it's just that we need someone who is mobile for the job."

"This was a desk-bound job with computers. There was no moving around needed. I'd rather that he had just been honest and said: 'I can't cope with you being disabled.'"

She now begins to think that she will not be trying again. "You get so many knock backs, you think can I be bothered? How many more times can I take this?"

She feels the disabled are treated as second-class citizens, even by those who are meant to help them: "Housing is hell. I waited two years to have a shower installed that I could use. I rang up the council and they said they'd closed my file. I said: 'Hello, I'm not dead. I'm still alive.'"

For transport she has to rely on taxis. "I've attempted public transport but it's dreadful," she said. "Trains are usually better as there's at least someone to help you on and off."



'My neighbour accused me of faking'

CHRISTINE Dance suffers from arthritis and for the last six years has been forced to use a wheelchair. As soon as she stopped being able to walk she noticed a change in the way people treated her.

"They suddenly started to talk down to me," she says. "They look right through you and address the next person in the queue."

If she tries to make her presence felt the reaction is as hurtful: "They look at you as if you were from a different planet. I want to say 'Do you think I've got two heads or something?'"

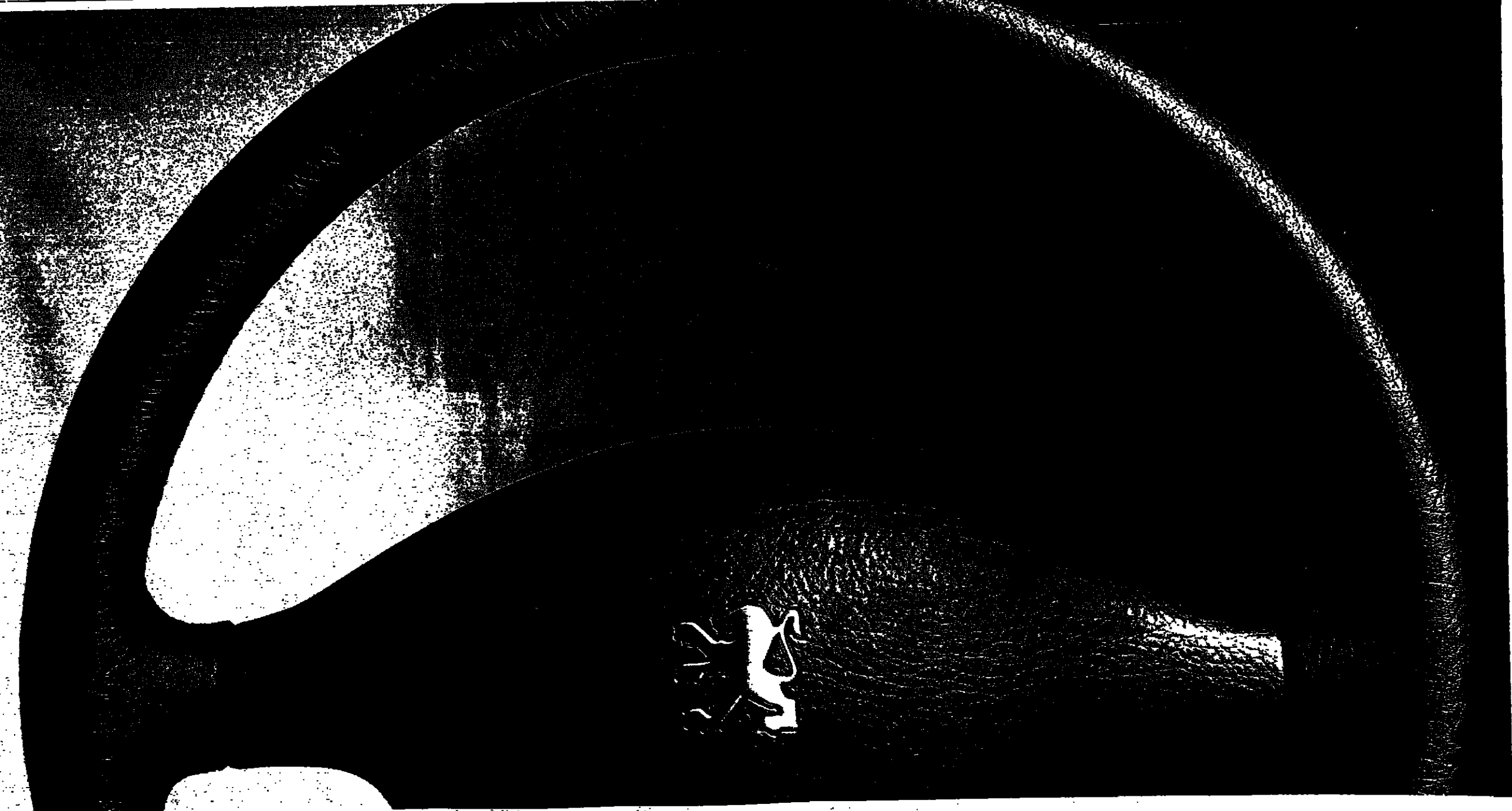
Since her illness things she used to take for granted have become impossible. "Public transport has been so hard. It's not really possible to use public transport if you're disabled."

Her home had to be modified: "I had to wait for about a year and a half before my home was done. I think I was lucky I only had to wait that long, as the housing trust is pretty good."

"What I miss is things like not being able to go to the pictures because so many of the cinemas have stairs."

She now works as a receptionist at a Leonard Cheshire day centre in east London. "I was a housewife before I became disabled but trying to get into the workplace if you are disabled is dreadful," she said. "It's like a vicious circle - you don't see any disabled people [in a firm] so none can get in."

She says the most difficult thing has been the reaction of family and friends: "My next door neighbour accused me of faking once. I was so shocked. And as for my family I don't hear from them."



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## Power pollution linked to asthma

POWER stations may be a major source of air pollution, according to a study due to be unveiled tomorrow.

A group of independent Government advisers — members of the Atmospheric Particles Expert Group (APEG) — have found that particles that cause asthma and other chest complaints, known as PM10s, are generated by heavy industrial plant — including power stations fuelled by coal and oil.

It is thought the results could have major implications for the current review of the Government's National Air Quality Strategy.

Professor Anthony Seaton of Aberdeen University will produce the new evidence to health experts at a meeting of the National Society for Clean Air in London.

Over the last five years, particle pollution has risen from relative obscurity to being the UK's most serious and intractable air quality problem.

Government policy is geared towards cracking down on filthy exhaust fumes, particularly from smoky diesel engines which are another major cause of the particles.

It is estimated that dirty air results in 8,000 premature deaths and 10,000 early hospital admissions annually.

The National Air Quality Strategy aims to reduce this type of pollution nationwide by 2005.

But a confidential paper produced for the European Commission suggests that the methods used for monitoring particles in the UK may significantly reduce the problem.

A spokesman for the NSCA said: "The particles are so tiny they can penetrate the lung and that is when the damage is done. This is a problem particularly for people with cardiovascular problems."



The Bering Glacier, in Alaska, which has been subject to glacial retreat, shrinking by between 10km and 12km in the last 100 years, losing 130 sq km of its area.

Photograph: AP/Greenpeace

## Global warming turns up heat on glaciers

By Charles Arthur  
Science and Technology Editor

HUGE reserves of glacial ice around the world are melting more quickly than had previously been suspected, according to research published today.

The Alps have lost about 50 per cent of their ice in the past century, and of 27 glaciers that existed in Spain in 1980, only 13 remain. The largest glacier on Mt Kenya has shrunk to 8 per

cent of its size 100 years ago, while those on Mt Kilimanjaro, also in Kenya, are only a quarter as big. The huge ice rivers of the Tien Shan mountain range, on the Sino-Russian border, have lost 22 per cent of their ice volume in the past 40 years.

Professor Mark Meier, the scientist leading the research, said he was sure the changes were the result of global warming over the past century. "The

rate of warming is unprecedented in the last 600 years and the retreat of glaciers is probably unprecedented too, although we do not have the figures to prove it," he said. "But I'm convinced there is a detectable human influence in the pattern of climate change."

Although the melting was contributing slightly to sea level rises, that effect would increase over time, he said. Already, the melting was causing significant increases in the

flows of some rivers, Professor Meier said.

The in-depth study by the International Panel on Climate Change (IPCC) in 1996 forecast that sea levels would rise by more than 45 centimetres (18 inches) by 2100. A third of that would come as run-off from melting glaciers and icecaps, and more than half through the thermal expansion of the oceans as they warm — another

indirect, but devastating, effect of global warming.

The latest evidence comes from studies in western Europe, the US, Africa, Russia, China and New Zealand. It specifically excludes Antarctica and Greenland, which hold 94 per cent of the world's total ice mass, although other studies have shown ice shelves retreating there too.

More significantly, the water in the non-polar glaciers is re-

cycled more quickly by run-off, evaporation and rain, so it contributes more rapidly to sea level rise than the polar ice sheets. "Regional" glaciers are also more sensitive to warming.

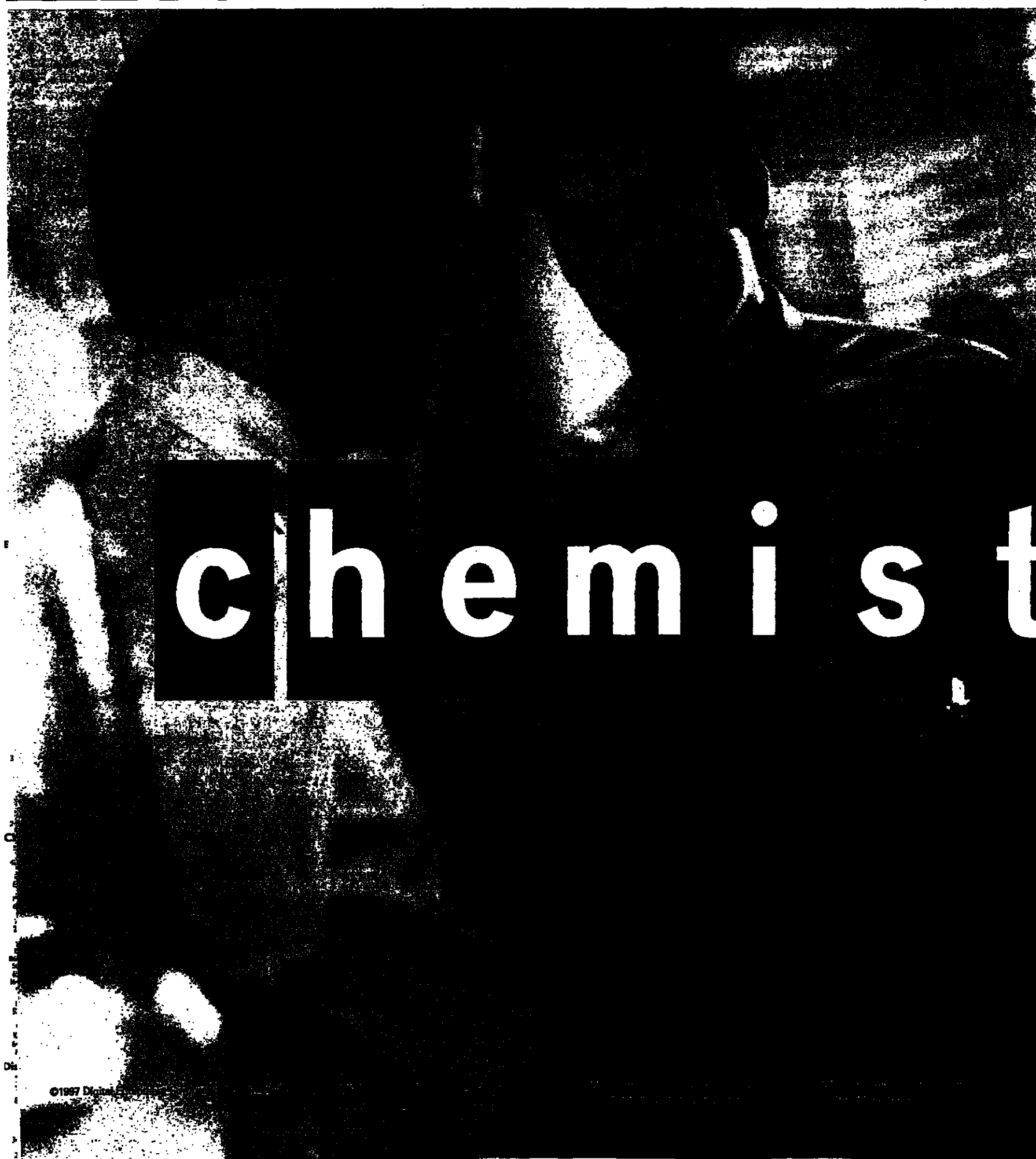
Professor Meier, from the geological sciences department at the University of Colorado in Boulder, collected data on hundreds of glaciers, from the estimated 200,000 worldwide.

A new analysis method was used to define the relation-

ships of several variable characteristics of glaciers. This allowed more accurate estimation of sizes, thicknesses and volume distribution of glaciers.

Preliminary calculations showed that the Glacier National Park, in Montana, US, will have no glaciers left within a century.

The findings were reported at a meeting of the American Geophysical Union, in Boston, Massachusetts.



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# Tina walks tall as 'New Yorker' chief falls

By David Usborne  
in New York

THE *New Yorker* should do an article about it. Intrigue and paranoia inside one of the world's most heavyweight literary weeklies as it struggles to find a path, at last, to profitability. Tina Brown, the British-born editor, may balk at such a commission, however. Because the magazine is her own.

The latest twist occurred at the weekend, cleverly timed to coincide with Memorial Day,

when most of Manhattan's gossip-mongers were out of town setting up their Hampton lairs for the new summer season. But when the president of the magazine is bagged, any hope of evading coverage was always foolish.

The victim was Tom Florio, 41, nudged aside by his elder brother and boss Steven Florio, 49. Florio Sr is president and chief executive of Condé Nast Publications, itself a unit of Advance Publications, whose owner is S I Newhouse. The move reflects the continuing

frustration felt by Mr Newhouse, that, 13 years after buying the *New Yorker* for \$168m, he still has not seen a dime in profit from it.

While Advance, which recently sold its Random House publishing house to Bertelsmann of Germany, is tight-

lipped about its finances, the *New Yorker* is believed still to be losing about \$1m a month. This is much less than the losses of the recent past, but still an embarrassment for Tom Florio who, in each of the last four years, has publicly predicted that

profits at the title were just around the corner.

Part of the problem can be traced to the lavish sums paid by Ms Brown to her writers. At \$35m, her annual editorial budget is enough to make most others in the trade fall over with envy.

But Ms Brown, the wife of the former *Sunday Times* editor Harry Evans, seems herself to be secure. We know this, in part, because of recent choice leaks about the impending move of all the Condé Nast publications, including the *New Yorker*, into

a new office tower under construction on Times Square. To the fury of many, Ms Brown's magazine is being given not just two floors of its own, but the top two floors.

And Ms Brown has reason to be confident. Since being moved by Mr Newhouse from *Vanity Fair*, another of his titles, to the *New Yorker* six years ago, she has achieved a nearly one-third increase in its circulation to about 808,000. The let-down has been advertising and that was Mr Florio's department.

The all-important tally of advertising pages at the weekly has reportedly slipped by 2.3 per cent this year, and that during a time of economic boom. That compares poorly with advertising growth achieved at some of the magazine's Manhattan peers, including *New York*.

But profit, clearly, is what Advance wants from the *New Yorker*. Considerable savings are already being made thanks to a recent and controversial decision to fold the magazine into the wider Condé Nast

empire to cut costs on back-room activities like promotion and production. And just this month, Ms Brown has had to acquiesce to a half-inch reduction in page width, which alone should save \$500,000.

It will now fall to Mr Florio's chosen successor, David Carey, previously publisher of Condé Nast's *House and Garden*, to see if he can manage what has eluded his predecessors: turning the grand old magazine of writing into a publication that can make a grand – or several – as well.



Tina Brown: Achieved big circulation increase

## Czech cities wall off gypsy ghetto

By Adam LeBar

THE wall, symbol of a divided Eastern Europe, is back. Not in east Berlin, but in two cities in the Czech Republic, where local officials are planning to construct barriers to segregate gypsies, or Roma, as they prefer to be known, from the rest of the population.

Municipal leaders in Usti Nad Labem, an industrial city on the Elbe, and in Pilsen, the country's brewing capital, plan the apartheid-style measures which human rights activists and Roma leaders say are reminiscent of the Nazi holocaust when Roma, along with Jews, were separated from the rest of the population.

Usti Nad Labem officials plan to build a wall around two apartment buildings that house over three dozen Roma families. They claim the inhabitants refuse to pay rent on their council flats, disturb neighbours by leaving rubbish on the streets and sing and dance outside until the early hours of the morning.

Inhabitants of the apartment building claim the city officials refuse to provide them with proper municipal services and deny they cause a public nuisance.

Milan Knotek, spokesman for the Usti city council, denied the council planned to ghettoise its Roma community. "The fence will separate this problematic community from those people who have private houses on the road. The wall will not stop them from moving about. It will not be a ghetto enclosed on four sides."

The plans for Pilsen are more elaborate, and look set to infringe human rights even more, say opponents of the project. Municipal officials there plan to construct a compound on the city's outskirts composed



Gypsies in the Czech Republic are accused of being so anti-social they need to be separated from other citizens

Photograph: B Barbey/Magnum

of portable cabins surrounded by a fence with its own police station inside that will stay open 24 hours a day. A caretaker will have the right to enter any room whether or not the resident agrees, a local official told the Czech press.

To many in the West, the Czech Republic has a liberal image, exemplified by the country's former dissident and playwright President Vaclav Havel. While Mr Havel himself has spoken out in support of the

Roma cause, among most of the population anti Roma prejudice runs high.

Roma are regularly attacked by neo-Nazis who have links to organised far-right groups in Germany and Austria. Harassment by police is routine, as is discrimination by housing and welfare officials. Early this month a Czech Roma man died after skinheads beat him unconscious and left him in the street where he was run over by a truck and killed.

Roma and human rights activists across central Europe have condemned the plans to segregate Roma people in the two Czech cities. "This is pure racist segregation," said Dmitria Petrova, of the European Roma Rights Centre in Budapest.

Together with Hungary and Poland, the Czech Republic is one of the region's three frontrunners for European Union and Nato membership. They are sensitive about their image in the West and in Brus-

sels, and local Czech officials denied they were shunting the Roma minority into a ghetto.

Jan Kocourek, deputy mayor of the Usti district, responded angrily when questioned by an American journalist who suggested the city's plans were a violation of Roma civil rights. "Rights? Are you serious? What civil rights? They can vote, but they don't. They can work, but they don't. They can pay rent, but they don't."

## Collapse of communism ruins eastern school system

By Imre Karacs  
in Bonn

THE CHILDREN of the revolutions of 1989 are losing out on learning, as the education system bequeathed by communism unravels. According to an alarming report published by the United Nations Children's Fund (Unicef) yesterday, schools are crumbling across Eastern Europe and the former Soviet Union, and literacy rates are plunging. Teachers are demoralised, states destitute.

The Unicef report, unveiled in Bonn by the organisation's goodwill ambassador, Sir Peter Ustinov, is the first comprehensive study of education in the region since the fall of communism.

"The quality of schooling has fallen," it concludes. "Huge reductions have taken place in many countries in real public expenditure in education – by almost three-quarters, for example, in Bulgaria."

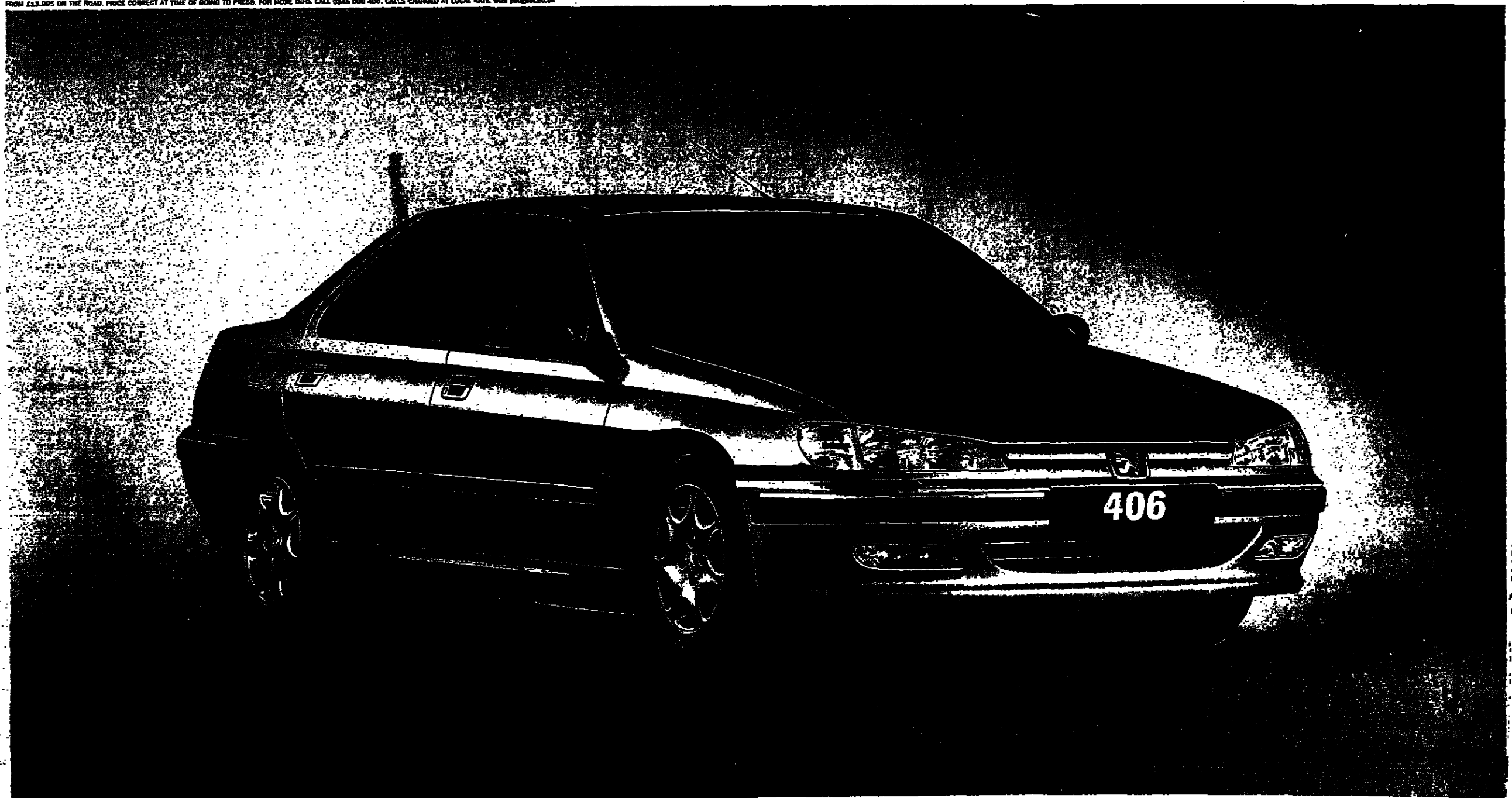
Wars and ravaged economies have put intolerable strain on education budgets. In Georgia, textbooks can cost the equivalent of several months' wages. Teacher's salaries, traditionally low in comparison to other professions, have declined further, and in some countries are paid several months late.

Full literacy was one of the few real achievements of communism, but recent years have seen the emergence of school-leavers who cannot read or write. The problem is most acute in the former Soviet Union, but even in Central Europe, whose pupils still outscore England in maths and science, a growing proportion of children fail to acquire basic educational skills.

The widening gap between rich and poor threatens to push the less fortunate to the margins. There is an explosion in the number of private schools, which bleed the state sector dry of teaching talent.

Although Unicef recommends teaching reforms, it concedes that the biggest problem is lack of funds. After the longest period of depression this century, the region's economies are beginning to turn the corner. But for those who are just being disgorged onto the jobs market after nine miserable years in the classroom, help will be too late.

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The ill-fated Achille Lauro burning off the Somali coast in December 1985. The Italian ship caught fire while cruising and sank nearly 10 years after being hijacked by Abul Abbas's Palestinian Liberation Front as it sailed towards Israel. Photograph: Corinne Dufka/Reuters

## Leader of 'Achille Lauro' hijack turns to the ballot-box

By Patrick Cockburn  
in Gaza

WHEN Abul Abbas, the 50-year-old former revolutionary who was behind the hijacking of the Italian cruise ship *Achille Lauro* in 1985, passed through the Israeli-controlled checkpoint his way from Egypt to Gaza earlier this month, he was held up for five hours.

"I was told that Israeli troops had orders to arrest me," he said. "But I refused to go back to Egypt, because the Oslo agreement allows me to enter."

Israel's reluctance to give him safe passage is not surprising: 13 years ago, five men from the Palestinian Liberation Front, the

group led by Abul Abbas, born Mohammed Zaidan, took over the *Achille Lauro* as it sailed towards Israel. Off the Syrian coast, in one of the more spectacular atrocities of the Israeli-Palestinian conflict, the hijackers shot dead Leon Klinghoffer, an American Jew in a wheelchair. They threw him overboard.

"It was not planned to take over the ship," said Mr Abbas. "The fighters were discovered on the ship and had to take it over. Everything was a mistake." He says the original plan was for the men to get off the cruise ship when it docked at Ashdod, south of Tel Aviv, where they were to blow up storage tanks and take hostages.

Justifying acts such as the hijacking, which led to the United States offering a large reward for his arrest, Mr Abbas said: "We achieved a lot. We put the Palestinians on the international political map. Before our operations nobody listened to our voice." He does not mention the delegitimisation of the Palestinian claim to self-determination in the eyes of the world.

These days, Mr Abbas is singing a very different tune. Unlike other militant leaders whose parties make up the Palestine Liberation Organisation, he supports the Oslo accords of 1993. In an interview in Gaza with *The Independent*, he says the military option for the Palestinians "no longer existed after 1990 when the Soviet Union collapsed. The Arabs, not just Iraq, were defeated in the Gulf war. The struggle was going backwards."

Once-powerful groups, such as George Habash's Popular Front for the Liberation of Palestine (PFLP) or George Hawatmeh's Democratic Front for the Liberation of Palestine (DFLP), are shadows of their former selves. Mr Abbas has a convincing explanation: "Part of the Palestinian population will support you if you oppose Oslo and fight the Israelis like Hamas [the Islamic militant organisation]. Another part will back you if you go for Oslo and peace. The problem for these organisations is that they oppose Oslo, but don't do any fighting."

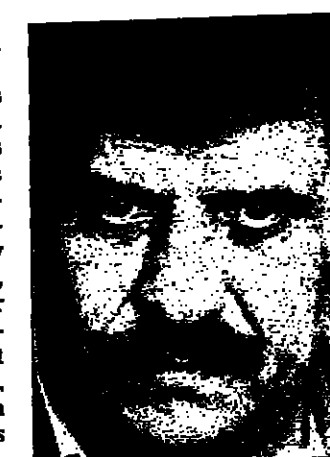
The collapse of the secular Palestinian left opened the door for Hamas as the only alternative to the Palestinian Authority of Yasser Arafat. A disillusioned former leftist leader in Gaza said: "The leaders of the left are just as corrupt and not more democratic than Arafat's people. When I see them I tell them it is better for them to close down and say they have failed. But there won't be any real Palestinian politics until Arafat dies."

Earlier this week George

Habash, leader of the quasi-Marxist PFLP, announced that he was forming an alliance with Hamas to oppose Oslo after a meeting in Damascus with Sheikh Ahmed Yassin, the leader of Hamas.

Such an alliance is seen as self-defeating opportunism by former members of the PFLP in Gaza and the West Bank. They say secular Palestinians who dislike the corruption of Mr Arafat's rule and the Islamic militancy of Hamas, have nowhere to go. They see Hamas getting stronger. Over the last month Sheikh Yassin has been received at a higher level than ever before. He has seen King Fahd and Crown Prince Abdullah in Saudi Arabia, President Hafez al-Assad of Syria and senior Iranian leaders. This is despite covert US efforts to minimise his influence. Only Jordan refused him entry.

Mr Abbas says he plans to turn his Palestine Liberation Front into a mainly political, rather than a military, organi-



Abbas: Militant leader who now supports Oslo accords

sation. While doing so he will commute between Gaza and his old base in Baghdad, where his wife and three sons live.

In Mr Abbas's office in Gaza hangs a painting of Palestine made up of a mélange of symbols, including a Kalashnikov, the dove of peace, al-Aqsa mosque in Jerusalem, a bullet and a pen. The slogan underneath used to read: "Together with the bullet and stone". This has been replaced by the ambivalent and uninspiring words: "All options are open".

This is not something one million Palestinians in Gaza believe. In this beleaguered and impoverished city Palestinian politicians will have trouble persuading anybody that either the Kalashnikov or the dove have much to offer them.

Jerusalem (AP) Palestinian legislators yesterday fought Israeli police with their fists in a protest over tin shacks erected by Jewish settlers in the Muslim Quarter of Jerusalem's Old City.

## Habibie promises early elections

By Richard Lloyd Parry  
in Jakarta

HOURS after the release of two political prisoners, President BJ Habibie of Indonesia made a personal visit to the scenes of this month's riots in another attempt to boost the credibility of his young government.

In a gesture that would have been inconceivable under the former president, Mr Suharto, Mr Habibie broadcast messages of encouragement through a megaphone and debated with local people whose shops and businesses were destroyed in two days of vicious looting.

Thousands of local people waved at the President's bus as it drove through the Chinatown district where the worst destruction occurred. "I came here to meet you and express my sincere sympathy," he said.

Earlier, Mr Habibie told a group of pro-democracy campaigners that he would hold new elections "as soon as possible".

"Our target [for holding elections] is between six and twelve months," said Professor Sudjana Sapile of the Bandung Institute of Technology. "The President asked if we can go any faster and we said it was very unlikely."

Last Monday, Mr Habibie told his first cabinet meeting that he would revise the election laws which control the po-

litical parties and vet their candidates. Early yesterday, former member of parliament Sri Bintang Pamungkas and trade union leader Mughtar Pakpahan, walked out of Cipinang Jail in Jakarta where they had been held for criticising Mr Suharto.

But many Indonesians remain sceptical of the new program, which may have as much to do with the need to win over the International Monetary Fund, which has withheld a \$10bn (£6.25bn) loan instalment because of the riots, as with a genuinely democratic spirit.

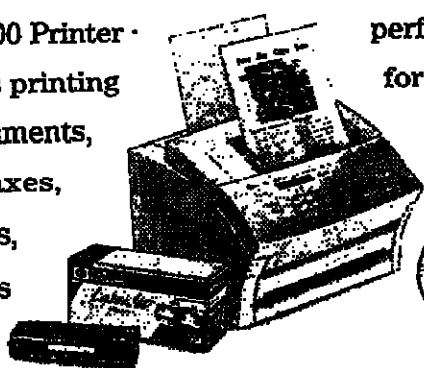
"We need a firm time frame for general elections," said Emil Salim, a former minister who is running for president.

Yesterday, Hubert Neiss, the IMF's chief official in charge of Asia, arrived in Jakarta to discuss the future of the \$43bn (£27bn) loan. "We have to recognise that the economic measures will only work if there is also political stability," he said.



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# European police hold 76 suspects in World Cup anti-terrorism swoop

By John Lichfield  
in Paris

CO-ORDINATED dawn raids in five European countries yesterday dismantled a suspected Islamist terrorist network which may have been planning attacks on the World Cup in France next month. Police in France, Germany, Italy, Belgium and Switzerland arrested 76 people in the largest Europe-wide anti-terrorism action ever attempted.

Four of those held for questioning — one in Marseille, one in Paris and two in Germany — are believed to be senior members of a dissident splinter movement of the violent Algerian Islamist organisation, the Armed Islamic Groups (GIA).

French authorities said they knew of no specific terrorist targets but several months of surveillance by European intelligence agencies "gave rise to suspicions that terrorist actions were being prepared in the run-up to the football World Cup". Up to 2,500,000 visitors are expected in France for the competition, which begins on 10 June and lasts for five weeks.

Arrests were continuing late yesterday. European police forces are looking for a total of 120 people, of Algerian, Tunisian and French nationality — a list established through intelligence-sharing by European Union and other counter-terrorist agencies. The man arrested in Marseille, whom police declined to name, is wanted in connection with the failed bomb attack on a France Telecom building in Paris two weeks ago. Explosive experts defused a device — a metal canister containing explosives and nails — similar to those which killed and maimed scores of people in attacks on Parisian underground trains three years ago.

Two men picked up in Germany — Adel Mechat and Omar Salti — are believed to be senior supporters of a dissident GIA chieftain, Hassan Hattab, also known as Abou Hamza. Hattab, thought to be struggling for mastery of the organisation within Algeria, is also responsible for the GIA's European network.

Another Algerian, arrested in Paris, Karim Boutri, is also suspected of being a Hattab activist. Documents, apparently sent by the GIA leader, were found in his apartment, according to French police. The GIA, itself a violent offshoot from the Islamist political movement the FIS, has claimed — or been held responsible — for a series of horrific murders and massacres in Algeria in the last six years.

Yesterday's operation was co-ordinated by the French Interior Minister, Jean-Pierre Chevènement, and a Parisian investigating judge who specialises in anti-terrorist activities, Jean-Louis Bruguière. The apparent success of the raids in five countries, and the element of surprise achieved, was hailed by French officials as a first clear success for the policy of co-ordinated anti-terrorist activity in Europe, intensified in recent years. Judge Bruguière travelled to Germany last night to interview several suspects arrested there.

A total of 53 people were arrested at 50 different addresses in France — in Paris, Lyon, Marseille and Porto-Vecchio in Corsica. Two people were arrested in the German cities of Bonn and Cologne. Italian police arrested nine people in the greater Milan area. Belgian police said they were questioning 10 suspects, nine from Brussels and one from Charleroi. Two were picked up by Swiss police.



Police in Paris with one of the suspected Islamic terrorists rounded up across Europe yesterday

Photograph: Gael Cornier/AP

## Fear of violence from Algeria

By Rupert Cornwell

YESTERDAY'S arrests in five European countries of more than 80 people suspected of involvement in an international Islamic terrorist network is further proof of the worry that the unceasing and brutal conflict in Algeria will spread north to the European mainland.

Violence has racked Algeria for more than six years, since the government cancelled elections which the Islamists were certain to win. Almost every day brings a new atrocity — yesterday's being a bomb which killed at least seven people in a market in a town 50 miles southwest of Algiers. On Sunday, five policemen were killed in an ambush; two days earlier, 16 people were killed in a market bombing in an Algiers suburb.

And so the litany of barbarities goes on. Since 1992 at least 65,000, perhaps 100,000, people have been slaughtered. But no one knows for sure. Any journalist who peers too closely risks death, while the Algerian government has often seemed complicit in the killings.

Its ostensible foe is the Armed Islamic Groups (GIA). But the GIA is fragmented and some parts of it have been infiltrated by the authorities. Thus the suspicion that the government, whose supreme duty is to ensure the safety of ordinary Algerians, is now in some cases deliberately conniving at their

killing, to inflate the threat to itself and justify its repressive and undemocratic policies.

The charge is a terrible one, but how else to explain the army's long failure to suppress the insurgents, and the massacres which have taken place within a stone's throw of military and security barracks, which did nothing to stop the atrocities on their doorsteps.

Making matters yet worse is the split within the regime, between those who seek political accommodation with the Islamists, and those for whom the only goal is the eradication of the fundamentalists.

Thus, with both sides divided, and suspicions of conspiracy and double-dealing rife,

small wonder that the feelers put out for a settlement — most visibly by elements of the Islamic Salvation Front, the fundamentalists' political arm — have come to naught. And with deadlock at home, terrorism's shadow is spreading north across the Mediterranean.

For years, MIS has kept tight tabs on terrorist suspects and British police last March arrested eight Algerians amid speculation they were planning actions to disrupt the World Cup. Even so, Paris claims that Britain and other European countries are too lax. In the United Kingdom, notes France, it is not a criminal offence to conspire to commit acts of terrorism against a foreign government.

By John Lichfield

THE possibility of a French pilot's strike, disrupting air travel to and within France during the World Cup, drew closer yesterday. The main pilots' union, the SNPL, gave formal notice of a strike, probably for two weeks, from next Monday. Five other, smaller, pilots' unions have also announced shorter strikes starting next week.

The head of Air France, who has asked pilots to take a 15 per cent wage cut over three years in return for shares in the company, said he would not back down. Jean-Cyril Spinetta, president of the state-owned airline, said he doubted pilots would carry through the threat.

"To take the World Cup hostage, to use the competition for blackmail" would be "judged very severely" by French public opinion, he said.

A two-week strike from Monday would disrupt Air France flights in the approach to the competition, which begins on 10 June. The airline has scheduled 110 special flights for teams, officials and of supporters, which it guarantees will take place. But other scheduled medium-haul and internal flights would be seriously affected.

A couple of other labour disputes appear to pose a threat to rail and road travel during France 98. A minority of lorry drivers belonging to the Force Ouvrière union blockaded auto-

routes in several parts of the country yesterday, complaining that they had not yet received the full benefits of the settlement of the wider driver's strike last November. But their leader, Roger Poletti, said yesterday they had no intention of disrupting the World Cup.

There is also a threat from fairground workers, who are demanding subsidies and safe, guaranteed sites close to city-centres. Fairground vehicles blocked some motorways yesterday.

A minority union of train drivers is also threatening to strike during the competition, targeting suburban trains to the showpiece Stade de France near Paris and TGV links between host cities.

## Airline strike threat

## German shadow team

GERHARD Schröder, the Social Democrats' chancellor candidate, sprung a surprise in Germany yesterday by naming a former lawyer of the Basler-Mehlhof gang as shadow interior minister, writes *Irvin Karas*. Otto Schily, 66, defended urban terrorists in the Seventies

before becoming an MP for the Greens until 1989, when he defected to the Social Democrats. Also in the team are left-winger Oskar Lafontaine for finance, Rudolf Scharping — the party's least popular leader ever — for foreign affairs and trade unionist Walter Riester for labour.

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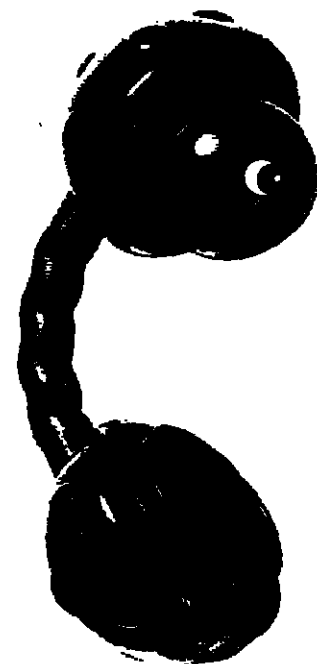
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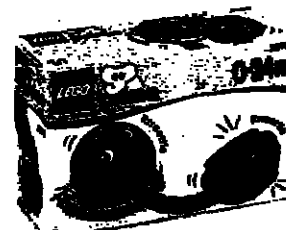
Users of these products are advised to carry a second auto-injector with them and to consult their doctor or pharmacist if they have any concerns.

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# Australians say sorry to the stolen children'

nation has signed books of apology to ducted Aborigines, writes Robert Milliken

STRALIA said sorry yesterday. All over the country, poets, former judges, actors, ball players, pop stars and ordinary Australians signed "books" to apologise to the "lost generation" of Aborigines who were forcibly taken from their families as children. The most glaring absentee from the event was the federal government, led by John Howard. A year after an official report detailing the first time the chilling chapters in Australian history, Mr Howard's conservative coalition government is sticking stubbornly to its policy of refusing to say "sorry" to Aborigines and their descendants, estimated at about 100,000, who were taken from their mothers as babies and sent to live in government-run boarding schools where they were taught to grow up like whites. The misguided policy started in the name of assimilation in 1910 and continued until it was not as brutal as colonialism in the early 19th century, of hunting down and exterminating whole indigenous communities on the Australian continent. But the ends were not the means: the assumption that there was no place for a so-called "primitive" culture in white Australia and that the sooner it died the better. Ronald Wilson, the forger who conducted the "lost generation" inquiry, in his report a year ago to the federal government to be country in formally giving for the pain it felt. Mr Howard said later regretted "what happened" regards Sir Ronald's call for an official national apology as a wishy-washy response driven by city Australians and what he sees as the "Aboriginal guilt industry".

He has no truck with Sir Ronald's description of indigenous child removal as "genocide" or for the Australian church leaders who have compared it to Nazism.

There is a general election in the air, and the Prime Minister's approach to the issue is driven by votes. Today, Mr Howard is expected to announce instead big spending increases on housing, health and education for Aborigines. His approach is probably in tune with that of conservative voters in rural, outback Australia.

Other public officials have heeded the call to mark Australia's first Sorry Day. Peter Ryan, the British-born commissioner of police in New South Wales, said: "On behalf of the police service I offer a sincere apology to the stolen generations and to all Aboriginal and Torres Strait Islander people for the prominent role the police played in enforcing previous unjust laws. As agents of the Government, police caused unimaginable pain and anguish to communities, families and particularly mothers and children by the forcible removal of children."

The "stolen children" policy failed. Many of those who were dragged from their mothers' arms as infants, and who spent their adult lives tracking down their real families, went on to become prominent Aboriginal leaders in the 1990s, when the cultural revival of the Aborigines and their political activism has never been stronger.



Lyall Dennison, a Kamilaroi Aborigine whose father was taken from his parents under former Australian governments' policy of forced assimilation, reads messages from a 'Sorry Book' in Sydney. Photograph: Torsten Blackwood/AFP

# Madrid at war over the devil

By Elizabeth Nash in Madrid

THE PRADO museum in Madrid has claimed ownership of the world's only public statue of Satan - the 19th-century "The Fallen Angel" in the city's Retiro Park.

But the city mayor, Jose Maria Alvarez de Manzano, a deeply conservative man with no sympathy for the devil, insists Lucifer belongs to the people of Madrid and will not let it be moved from its present site.

The Prado's claim is part of a controversial attempt to regroup 126 of more than 4,000 works dispersed throughout Spain into its enlarged premises, due to be completed in 2001. But with more than 90 per cent of the museum's treasures stored in vaults out of public view, critics say the museum has enough material already, without plundering much-loved public monuments.

Antonio Solano, a museum curator, said: "The sculpture of 'El Angel Caído' belongs to the museum. It was destined for the former Museum of Modern Art, which now forms part of the Cason del Buen Retiro. But as there wasn't room for it, it was lent as an adornment for the Retiro. Now we have decided to remind the city hall that it belongs to the Prado."

A director of monuments at Madrid's town hall denies the image of the devil is the Prado's. "According to our archives, it was donated to the city hall by the Ministry of Works in 1885 and it was decided to put it in the Retiro. Furthermore, it is entered in the inventory of Spanish Historic Heritage of 1992 as municipal property. I don't understand why the Prado is claiming it now. It's always been in the park. What do they want it for?" Mr Alvarez de Manzano has written to the Prado insisting that while he is mayor, the statue stays where it is.



'The Fallen Angel' statue is claimed by the Prado

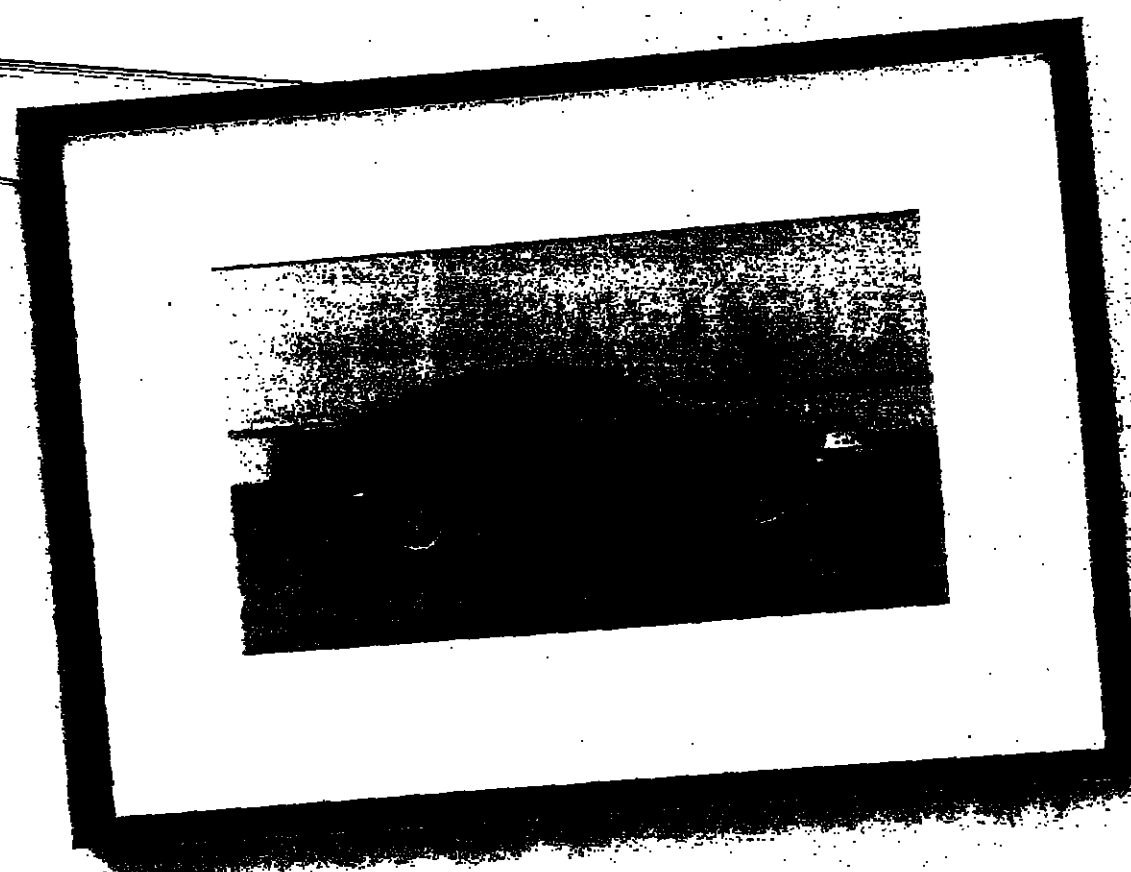
The sculpture, by Ricardo Bellver, stands without any identifying label in the bleaker southwest corner of the Prado, on a site formerly occupied by a porcelain factory.

Nothing more sinister than rollerbladers circulate around an area of the park reputed to be a night-time cruising ground for transvestite prostitutes - but legend has it that nocturnal black masses used to be held in the Satanic presence. Some years ago a failed attempt was made to erect a statue of the Virgin to counteract Lucifer's supposed malevolent influence.

The determination of the city authorities to keep their unique tribute to Satan seems to have had an effect: in recent days, the Prado has said that although it owns the statue, it does not necessarily seek to possess it, leaving open the prospect that the people of Madrid will hold on to the devil they know.

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# I drink, therefore I write

When Neil Rollinson isn't writing award-winning poetry he likes nothing better than to go down his local pub for a pint. By Michael Glover

I'M STARING out of the pub window at the sight across the road—maybe 100 kids or more are milling around on the opposite corner in the bruised-blue, falling light of a Friday evening. It could be threatening, but it's nothing of the kind. It's just a typical weekend night of happy-go-lucky boozing in Clapham Old Town, home to three of south London's most popular pubs.

Neil Rollinson swings away from the bar, nearly hitting me in the face with his ponytail, and passes me a pint of Adnams—he's bought the round (he buys the next one, too) because he's flush from having just won two major literary awards, first prize in the National Poetry Competition and an Arts Council bursary.

He looks to see where I'm looking. "I love pubs," he says. "I love everything about them—the banter, the cracks, meeting people. The idea of Schubert, who wrote all that great music, getting slaughtered every night with his mates, that's a wonderful image. What's better than a pub after a good day at the typewriter? Off you go, throwing caution to the winds, along the road to ruin!"

We're lucky to find a seat. The theme goes on and on once we are settled—there's always a lot to be said about booze and poets. How long did he expect the £5,000 to last that he'd just won for the poem about his father drowning kittens in a lake. We decide to do a quick calculation on the beer mat. I'd asked him to bring along one of the two flashy Montblanc pens that came with the cheque (Montblanc sponsored the National Poetry Competition this year), for such a job as this, but he didn't get the message.

Well now... with an average pint at two quid in the ruinously expensive south, that would be 2,500 pints max. Divide that by 5 pints a day (average), and the bitter truth emerges: the dole will run out just short of the glorious millennium.

That sobers us up enough to go on to

other things. Montblanc, the sponsor, for example. The very mention of the word irritates Rollinson. "They wanted to delay the announcement of the prize for three months so that they could drum up publicity, which meant ridiculous suggestions, such as appearing with those two tossers on the *Big Breakfast*. What do they know about poetry—I ask you?"

He refused. Finally, he did a couple of radio interviews and some press. Montblanc were annoyed, as was Rollinson, because if the prize had been announced in February, as usual, the extra publicity would have helped him to secure reading dates at literary festivals. Now it was too late.

But what about the pen? Would he use it? Yes, for writing letters to his mother—things like that. But doesn't he write poems in longhand? Never. He needs the sight of it on a computer screen if he is to begin to believe in its independent existence as a poem, something more credible than just random, aimless scribbles on a bit of paper.

What of those people who argue that there is some kind of mystical link between the flow of the ink, the pressure of the hand on the paper and the movements of the human soul? So much loss, he thinks. What about the time before poetry was committed to paper, when it existed only in the memory? Wouldn't the shift from memory to written language have represented a loss of authenticity, too?

Rollinson has nothing of the self-conscious bard about him. Born in Keighley, West Yorkshire, his father worked as a foreman in various textile mills. There were no books in the house and only one newspaper that he remembers, the *Sunday Post*. He took one A-level—art—and it was his art teacher who changed his life.

"He taught me new ways of looking at the world. He taught me about composition in painting, how to observe colour,

appreciate form and texture. No one had ever talked about those kind of things before. I was suddenly able to see the world in a different way." These lessons, including an ability to write with a painterly vividness, have carried over into his poetry.

Poetry came relatively recently though. After school, he went to Newcastle Col-

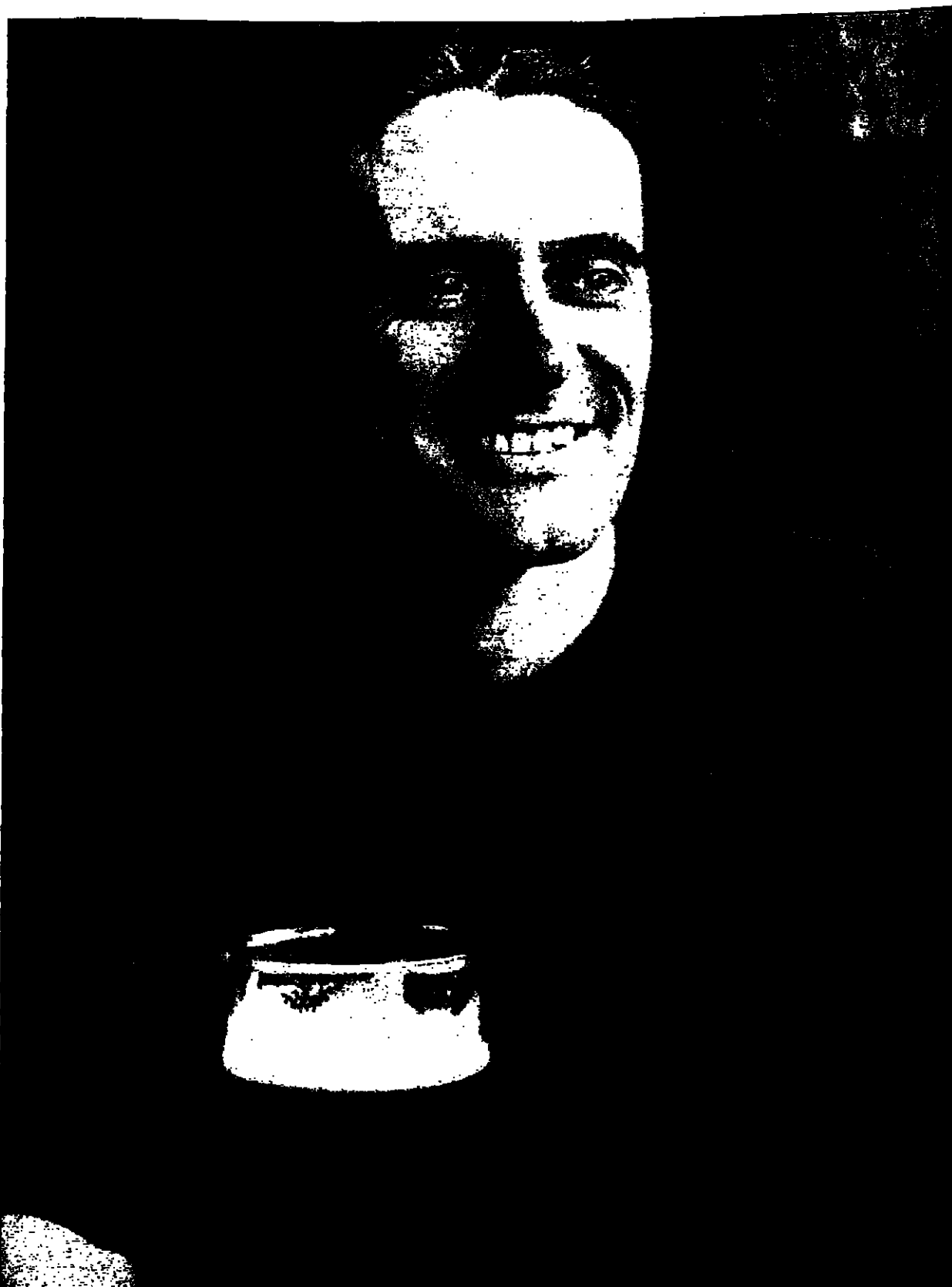
lege of Art, but he didn't finish the course. That was about 15 years ago. Then he drifted—London, India, the north again... he started writing poetry seriously about 10 years ago. Now 37, he's been anchored in London for the past few years.

Rollinson is, in many respects, a fairly representative modern poet. There is a

great directness and openness about him, a total absence of the old-fashioned, self-preening, literary side that is common among poets. He is a poet who writes openly about sexuality, which most poets have been coy about, unlike writers of prose. He is a poet who loves performing his poems in public for the ego-feeding buzz that it

Neil Rollinson (left): 'What's better than a pub after a good day at the typewriter? Off you go, throwing caution to the winds, along the road to ruin'

Photograph: Kalpesh Lathig



gives him, but also because it's a way of feeling the value of new work. Poetry, in his view, is a job, a full-time commitment. It is some mystical encounter that obliges you to act in fanciful ways, like a kind of secular priest. "I've never gone along with that. I idea that poets are different or visited in some way. I view it more pragmatically. It's a job that has to be done and I like doing it."

But does he call himself a poet, and the consequences of other people drawing all sorts of peculiar conclusions about what such a thing might mean. "Yes, finally, last. It took a long time though..." A what does he think is wrong about 1 poetry scene these days? He sniffs and claps his hands. "Too much crap being published. Too much poetry being written by people who do not read much poetry."

"You know, even published novels when you get them in a workshop and them to write a poem, start writing in the amazing, old-fashioned vernacular—all the and thous—that is straight out of the 19th century poets or maybe the Victorians. as though the 20th century never existed."

"What you can do—and it's what I all the time—is actually read what poets are writing about nowadays, and familiar yourself with the language they are using. Then, perhaps, you might begin to see the rudiments of how to write like someone who is alive now!"

He slaps the glass down on the table. That's it, folks. We bolt outside. It's a balmy night with lots of boozing noises in the distance. Someone falls backwards into someone else's arms. We are teetering on the edge of the 21st century out here, and Rollinson is a nimble, wiry, cheerful man in a shal old grey mac with big holes in the pocket seems all charged up and ready to go.

Neil Rollinson's *A Spillage of Mercury* published by Jonathan Cape, price £8.



Playing on all the senses, lights, sounds and sensors react in harmony on the Gastarbyter Photograph: Neville Elder

## Welcome to the pleasure zone

Is a new interactive installation at the ICA art or massage therapy? By Judith Palmer

GASTARBYTER, a new interactive installation at the ICA, may well be the best-value massage you can get. It is the kind of thing you might expect to find in a Japanese executive hotel, but instead you can try out this particular sensory experience by looking yourself a 10-minute solo session in a darkened room.

This strange contraption has been designed by artists Bruce MacKinnon and Jo Jackson with a sound composer, to create a sensory, visual and suprisingly tactile encounter.

Making my way through a gap in the black rubber awnings, I emerged in a spacious square chamber with a large two-way mirror lining each of its walls. Squatting like a mosquito in the centre of the floor is a steel chair, which judders on

its springy joints as I climb aboard.

With my head snugly cushioned by a rubber headrest, arms and legs outstretched, a host of bouncy pads around the seat and back. Once in position, I am quite comfortable, although the initial mounting manoeuvre requires a level of mobility which dictates against wearing Rod Stewart-tight trousers or a thigh-high mini.

So, there you are, immobile in this contraption, remembering past trips to the dentist or gynaecologist, when the music begins and your chair starts spontaneously quivering. And, well—mmm, it is really rather pleasant.

Four neon tubes in front of you, more on the edge of your peripheral vision, spring into fizzing life, triggered by the varying pitches of the envelop-

ing soundscape. Flowing red lines zip on and off, occasionally turning blue, as the neon hits a pocket of mercury.

A low revving hum sends a brief tingle up one leg, a couple of deep bongs and your buttocks get a delicate pummeling, then, joy, a sustained vibromassage of the lower back.

It is like sitting watching the dying glow of a four-bar electric fire with each foot on the pedal of an electric sewing machine, reverberations travelling up and down the body.

Lights and chair-sensors react in harmony with the shifting electronic noise, juggle to a fast, percussive tones, then, as the music goes down a long, mesmerising wailing, you are left with a vibrating interior landscape of the sound.

Suddenly, there is a change of tempo: the neon dances

frantically and your whole body buzzes with vibration. This is probably how it feels to be a bluebottle frazzling on a kebab-shop insect-o-cutor.

In our increasingly visual culture, we are usually cut off from our proprioceptive powers. Unless you make a habit of standing on overhead motorway bridges or clamping yourself to the speakers at a Metallica concert, you very rarely get the chance to actually feel sound.

Gastarbyter, I assure you, is an infinitely more subtle alternative. As the Beach Boys had it. Good, good, good, good vibrations.

Institute of Contemporary Arts, London SW1. Bookable sessions available from 2pm to 4pm and 6pm to 8pm daily until Saturday 30 May (0171-930 3647).

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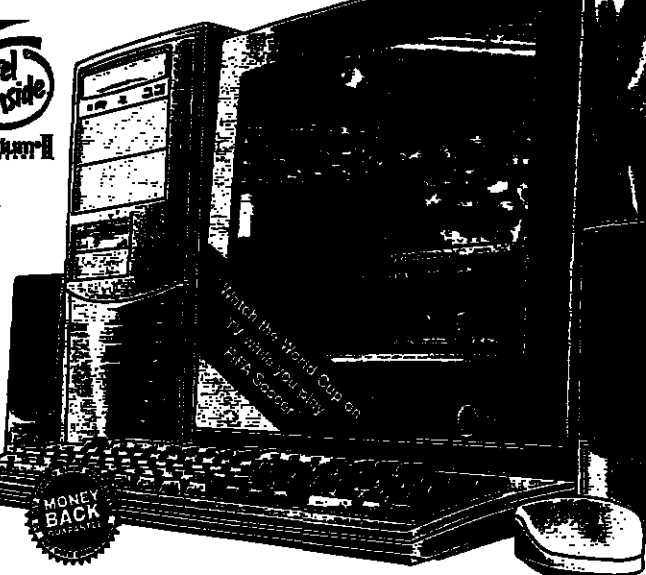
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# How to whinge like a winner

The British are useless at complaining and we suffer bad service with a stiff upper lip. But one man claims that a sense of humour and the courage to make a stand for what you want can bring just rewards. By Kate Watson-Smyth

WHEN John McEnroe flung his racket down on the hallowed lawns of Wimbledon and complained about the smen, the umpire, the ballboys and netmies - just for the hell of it - the rather, a frisson would ripple round court.

Some of the, mainly British, crowd would gasp in admiration at his audacity and long for the courage to turn manager, waiter or shop assistant. I complain with such conviction. Others would sniff with disapproval and smile kindly in the direction of Bjorn Borg, whose stoicism and suffering gained him the lasting respect of the nation.

Those mighty tennis battles between the two players encapsulate the fish attitude to complaining - something at which we have never failed.

Faced with adversity, we prefer simply to mutter among ourselves, swear at it and go there again even if you pay and stomp off in a huff. As a result, we have to put up with bad service, shoddy workmanship and bullying from our neighbours, all of which gives more to whinge about.

But whinging is not the same as complaining. Complaining means actually doing something constructive about a problem and, put simply, the fish are no good at it.

his, according to Jasper Griegson, who has made a career out of complaining, is because of the War. British are desperately proud of Dunkirk spirit," he says. "By doing enormous amounts of time and bearing it, the British come to associate expressions of dissatisfaction with sissiness.

The mainly response to adversity is proverbial stiff upper lip, which very well if you are squatting in a raid shelter waiting for a doodle-o drop on you, but not much help chocolate machine has swallowed pound coin."

his, in the spirit of altruism and an attempt to initiate his fellow countrymen the benefits of making a fuss, Griegson has compiled a book, *The Joy of Complaining*, which he hopes inspire the nation to put pen to paper when faced with life's little tions.

as well as general observations on the nature of complaining and how different nationalities approach it, the consists of complaining letters - outrageously cheeky, but charming - to various top-name anies and their replies. Some are Griegson himself, others written half of friends, but all the cordence is totally genuine.

at Griegson warns that McEnroe's approach is not necessarily the way to achieve a result. "Abusive laining doesn't work. I've tried says, recalling the time he sent bag (albeit an empty one) to the airline to complain about business-class cuisine.

he enclose by way of service will not know what that means) following documents," he wrote, quite dreadful to think that even



Britain's favourite moaner Victor Meldrew needs no lessons in how to complain. Photograph: Greg Williams/Rex

he be taken to the best restaurant for lunch. Griegson joined in, somewhat sheepishly at first and was pleasantly surprised to find that both he and the American had their way - unlike the rest of the passengers, who suffered in silence. "Since then, I've never let anything go," he says.

In fact, he was so good at his job as complainer for *Woman's Realm* magazine that he was sacked. Tongue firmly in cheek, he wrote to the "personnel manager" at the Conservative Party's Central Office complaining about the poor quality of candidates in the 1995 Tory leadership contest.

Modestly offering his own services, he wrote: "My readers and I, concerned that UK plc is rudderless, feel that a strong, bold and strident leader is needed. Although I have not been directly involved in politics, I was a school prefect at Oakthorpe Junior School in 1969-71."

Central Office failed to see the joke and telephoned the chairman of IPC magazines demanding that he be sacked forthwith. He was. "I have a sneaking admiration for that because they were just following my example and complaining about things and it worked," said Griegson.

However, Kathy Watson, editor of the magazine, claims Griegson resigned. "The letter was sent back to IPC with a covering note from someone senior in the Tory party and when I rang Jasper to ask him about it, he said it was a joke and resigned."

"There are no hard feelings, but I was glad he resigned because we had employed him to write letters of complaint on behalf of our readers and if he wanted to write a jokey letter he should have done it under his own steam and not as an employee of *Woman's Realm*," she complained.

Griegson's robust missives have inspired the rest of his family and friends. His young daughter, Zoe, recently wrote to Waddingtons complaining about a game which had fallen apart. "I have lots of apprentices and my family are getting very good at it," he says. "After all, complaining is the most fulfilling activity which any human being can perform."

He may have a point. After all, McEnroe's force of personality has now earned him a successful broadcasting career. Perhaps if Borg had taken up complaining he would have ended up with more than a swimwear company using his name to market their underwear.

*'The Joy of Complaining'* is published this week by Robson Books, price £8.99.

To: Paul Warden, joint managing director, The Flying Music Group, London W11.

Last night my wife and I went to see the Monkees 30th anniversary concert at Wembley Arena. Our tickets cost £46 and we were deeply disappointed. As a prelude to the Monkees arrival on stage a video was shown featuring the famous song "Hey, Hey, We're the Monkees". This number



included the following words: "We're the young generation, and we've got something to say". I hate to be picky, but the young generation they were not. The boys had been well preserved with a blast of embalming fluid, but to describe them as the young generation was a gross and fraudulent misrepresentation. I would be grateful if you could arrange for each member of the group to provide my wife and I with a written apology, cheque for £46 quid and an assurance that the two offending words will in future be replaced with something like "old geriatrics".

Dear Mr Griegson

Thank you for your letter. As all of the matters that you mention require direct input from the group themselves, I will pass on your letter for response. Yours sincerely, Paul Warden

PS Due to their advancing years and the speed that they are able to function these days, it may be some time before you receive the benefit of a reply.

Dear Mr Griegson,

I have now received the report concerning your bananas. The specimen was described as a "silk-encased foreign body". This has subsequently been examined by an entomologist who reports as follows: "The specimen was identified as the remains of a pupa and cocoon of the moth species *Antichloris*. This is a harmless tropical moth whose larvae feed on the leaves of the banana palm. The occurrence of these on imported bananas is reasonably commonplace." I have told our technologist, who will make sure it is fully investigated. As a gesture of goodwill, I enclose Tesco vouchers to the value of £15. Yours sincerely, Frances Hickling, Customer Services Executive to the Board

To: Marco Pierre White, The Criterion, London W1  
A few weeks ago my wife and I treated ourselves and six friends to an excellent meal at your restaurant. The atmosphere was both congenial and vibrant. The food was succulent, fragrant and yet at the same time deliciously sophisticated. The service capped it all: the waiters managed to combine unobtrusiveness with efficiency. However, the occasion was marred by a detail I can only imagine will horrify you. When it came to coffee on of the items on the menu described itself as espresso. As a lover of all things Italian, I am fairly sure that the correct spelling is espresso. Doubtless you will want to take a quick butchers at the menu to double-check my observation.

Dear Mr Griegson

Thank you for your letter. I read your comments with interest. We have now acted on your recommendation and rectified the situation. Marco Pierre White

## Her party needs her - but her son needs her more

R Angela Browning, the MP to step down from the front bench yesterday was 51. Her son Robin needs her. He is 26 and mildly autistic and Christmas has been going rough a bad patch. He needs to go to certain appointments she needs to be with him. Robin doesn't travel by himself on public transport and so needs to accompany him. As every parent and carer of this will know, is simply a matter of time.

An MP's life has little time as even less if you are on the front bench. Mrs Browning is the MP's spokeswoman for education and disability. Clearly, it had to give.

My son hasn't been very well since Christmas. We've struggled on since then and reads most of his time in bed with my husband," says Browning, 51, the MP for Hove and Hove North and a counsellor to the National Autistic Society.

We've lived with autism for 15 years. It does have its ups and downs, but it's been obvious for the past few weeks that he needs my help and support. In the end, the decision was made.

A Tory high-flier torn between the pressures of work and home life has put her family first. By Ann Treneman

For example, he went to local and private schools and passed several GCSEs. But it was a struggle and, through all of this, no one really knew what was wrong.

This is because Asperger's Syndrome is notoriously difficult to diagnose and Robin was 19 before anyone told him and his family (they have one other son) what the problem was. Mrs Browning says that she has since learned that the words "infantile autism" do appear in hospital notes from when he was a baby.

"I will always be angry that the people who dealt with him as a child failed to tell us," she says. If they had, it would have changed his life."

Robin will read this story and his mother did not want to go into details about him or their life as a family. But she did say that both she and her husband, David, a carer who also works as her research assistant, are devoted to helping him build his self-confidence.

This, too, is simply a matter of taking the time. Both of them are "all too aware" that they are not going to be around forever. Her resignation, which will take place during the next reshuffle, means that Gillian Sheph-

hard could be the only woman on the opposition front bench. But Mrs Browning does not want to do the job if she is not "firing on all cylinders".

She talks about being on the telephone at 10.15am trying to cope with a problem at home, knowing that she had to go into

**'I've had a pretty good run. This is not my political obituary! I just have my priorities clearly focused on my son'**

committee by 10.30am. "It tears you in two directions. When somebody is not well, you can't say: Please hurry up!"

She did not believe the situation would get any easier. "If you are on the front bench, something can happen in the

morning that means you have to be in the House at 2.30pm. What if you had a hospital appointment scheduled for that time?" she asks. Has this ever actually happened? "No, but I have been in a situation when I have been quite torn and where I felt that I would rather be doing something else."

Would a male MP have made the same decision? "I don't know," she says, adding that Tory leader William Hague did not once try and talk her out of her decision. "He said that if we are the party that talks about understanding disabilities, then if there is someone on our front bench with the problem, it is important we understand the position."

Mr Hague released a letter yesterday in which he says he regrets that she will be leaving the front bench but that he sympathises with her reasons.

Mrs Browning does not see this as a sacrifice. She has been an MP for six years and has been on the front bench for four of those. "I have had a pretty good run. This is not my political obituary! I just have my priorities very clearly focused on my son."

The problem of too little

time has become known as the "time squeeze". Most of us - and especially members of Parliament - try to deal with this by hiring people to do the things that cannot be done if you work long and difficult hours.

But Mrs Browning notes that there are certain things that cannot be bought. "It is simply not possible. I could hire someone to do his washing and make his bed but I could never hire somebody to do this," she says. People with autism have very few people they are close to. He is close to me and I must be there."

Her case may be more high profile but she does not see her or her husband's situation as unusual. "People who are carers make these decisions all the time."

"I spend a lot of time with carers. Recently, I was talking to a young couple who have a young child with autism and they were saying that for the first time in a year they had found someone who could come into their house who could understand their child. This meant that they could go out."

"So they decided to go out for a meal. They said that, when they actually got to the restaurant, they weren't really sure what to do. That just encapsulates what goes on every day."

"I'm not a special case. There are thousands of us."



Angela Browning has put the needs of her son before her political career

كلنا من الادم





White sleeveless hooded top, £46, by Grab and Mac; denim skirt, £55, by Dave and Jo; both from Urban Outfitters

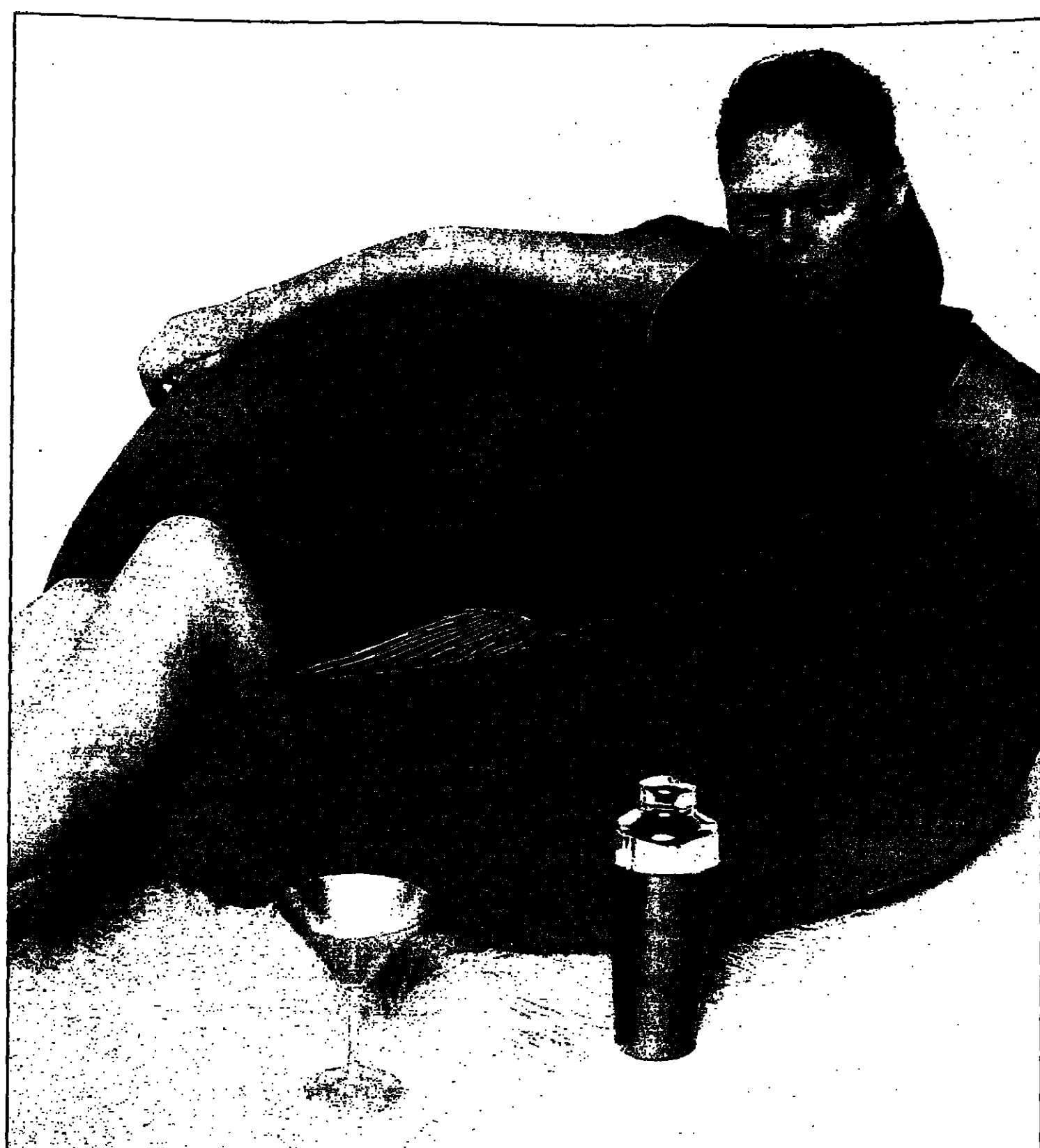


Denim dress with blue print, £75, by Born Free; red inflatable beanbag, £45; shag-pile carpet, £24; cocktail shaker, £13.90; cocktail glass, £9; all from Urban Outfitters, open from 3 June at 36-38 Kensington High Street, London W8, enquiries 0171 761 1001. Photographs: Jon Mortimer. Stylist: Holly Wood. Hair/Make-up: Beverly Brooke. Model: Emily Scott at Select. Photographer's assistant: Mark Moon

Black sleeveless t-shirt with diamanté detail, £35, by Anna Greene; turquoise sari pedal pushers, £55, by Souled Out; beaded curtain, £18; all from Urban Outfitters



Black sleeveless t-shirt with diamanté detail, £35, by Anna Greene; navy nylon drawstring trousers, £70, both by Dylan; army-green waistcoat, £95, by Conscious Earthwear; bag, £20, by Manhattan; rubber boots, £20; all from Urban Outfitters. Rubber-leaf flip flops, £63, from Camper, 39 Floral Street, London WC2, enquiries 0171-379 8678



Denim dress with blue print, £75, by Born Free; red inflatable beanbag, £45; shag-pile carpet, £24; cocktail shaker, £13.90; cocktail glass, £9; all from Urban Outfitters, open from 3 June at 36-38 Kensington High Street, London W8, enquiries 0171 761 1001. Photographs: Jon Mortimer. Stylist: Holly Wood. Hair/Make-up: Beverly Brooke. Model: Emily Scott at Select. Photographer's assistant: Mark Moon

## Urban species

AS YOU read this, great things are happening on London's Kensington High Street. In the space that was Hyper Hyper and home to London's young streetwear designers of the Eighties, walls are being stripped back to the bare brick and ceilings dusted down. Staircases are being swept. Downstairs, a circular counter is being installed, at which a Ministry of Sound DJ will be installed.

Upstairs, the highly successful Alphabet Cafe, which has become the hub of Soho's Beak Street, is giving birth to its first offspring, © Bar. And on the levels in-between, behind the huge plate-glass windows that look out onto the dark and grungy Kensington Market opposite, hundreds of cardboard boxes are being opened. Next week, this dusty building site will open its doors as Europe's first outreach of American chain Urban Outfitters. Visitors to New York, LA or San Francisco may be familiar with the store that the *Wall Street Journal* described as "Gap's evil twin".

In America, it is a lively, energetic, studently affair: a somewhat edited-down and sanitised version of Kensington Market, with an eclectic mix of new and second-hand clothes for both sexes, books, jewellery, shoes, and lots of other stuff – pieces of furniture, candles, fridge magnets, beaded curtains, glasses, cocktail shakers and ashtrays – the sort of place that is heaven for students setting up home. The idea is that the store is a place in which to hang out, meet people, listen to music and – ideally – not leave empty-handed.

The 30 shops across America are considered very European. The team behind the first Urban Outfitters outside America and Canada have been at pains to make it slicker, cleaner, brighter and very "London". Paul

Next week, an American store which caters for the young, bourgeois bohemian, opens its doors for the first time in London. By Tamsin Blanchard

Stamper, the store's creative director – who asks me not to use his name or title because at Urban they are all one big happy family – has been working on the British venture since April last year. There is not a single American accent to be heard around the team of twenty and thirty-somethings who seem to be running the outfit.

"The philosophy is very different to other retailers," he says, having spent months in America soaking up the Urban concept. The shop is a one-stop shop for 18 to 25 year-olds with labels sourced from the UK. Many have been scouted from Camden and Portobello Markets, including Nadine Powell, who had to be given lessons in how to sell her collection of T-shirts with rubberised prints before the head buyer at Urban Outfitters could purchase them from her.

Alongside more established names, such as G-Star and Evisu denim, there are names that have never been sold away from the atmosphere of a street market before. Also included are some of the labels that have been quietly making a name for themselves away from the fashion establishment, such as Souled Out of Portobello Green, whose founder, Frank Akinsete, started out by bringing stock back from American thrift stores and who is now selling his collection of hippy-dippy clothing at Souled Out.

Conscious Earthwear is another

label run by a young entrepreneur, Sarah Ratty, whose clothes are a mix of eco-friendly recycling and utility sportswear. There are even collections here by designers who are still at college. Claire O'Connor, half of design duo Alternate Current, a label specialising in an updated mod look, is in her final year at Central Saint Martin's.

This is a store that prides itself on being anti-establishment. On a mezzanine level between the menswear basement and the womenswear ground floor will be the Ministry of Sound DJ, on hand to play your choice from an extensive indie-label CD list.

It is a corporate record label-free zone. You can even have your 10 favourite tracks burnt on to a personalised CD while you wait. And, as you wait, you can lounge about on a selection of vintage furniture from the Fifties, Sixties and Seventies. If you find yourself getting too comfortable, you can always buy it and take it home with you.

"Corporate is a dirty word," says the nameless, titleless creative man. Urban Outfitters is the clothing equivalent of Ben & Jerry's ice-cream. It was founded in 1970 by a Philadelphia hippy, Dick Hayne, who has described his business philosophy as a "corporate counter-culture".

Originally, it was called the Free People's Store, and was situated

near the University of Pennsylvania. It evolved into Urban Outfitters in 1976.

The hippy ethos is still part of the store's rough and ready appeal in America. Needless to say, Hayne, now just entering his fifties, is an elusive character, preferring to remain the anonymous hippy-made-good in the background. He can afford to. In 1994, sales were \$84.5m and have been growing steadily ever since.

"There's nothing clever or pretentious about it," says Mr Creative, just a keen understanding of the target market. The *New York Times* has defined the Urban customer as the Yubbie (Young Urban Bourgeois Bohemian). And the best way to know your market is to talk to them and listen to their ideas and obsessions.

So, Urban always has a group of eager "Yubbies" on hand to keep the stores' buyers abreast of the times: they employ them. "Our staff are our customer," they say. And everyone, from sales assistant to stock-room stacker, is encouraged to come forward with ideas and finds, be it a friend at art college or a new drink.

While the New York Yubbie goes to NYU and hangs out in the East Village, the London equivalent frequents the bars of Shoreditch and Hoxton Square, scouring Spitalfields and Brick Lane markets for second-hand clothes. They are not so much into clubbing as cruising bars.

The British Yubbie is a more sophisticated, cynical and discerning animal than its American peer. This week, Indian saris and Bollywood imagery are "in". By the time the shop opens on 3 June, that might have been replaced by something completely different.

Keeping up is all part of the Urban culture.

### WHAT'S HOT

#### Wu

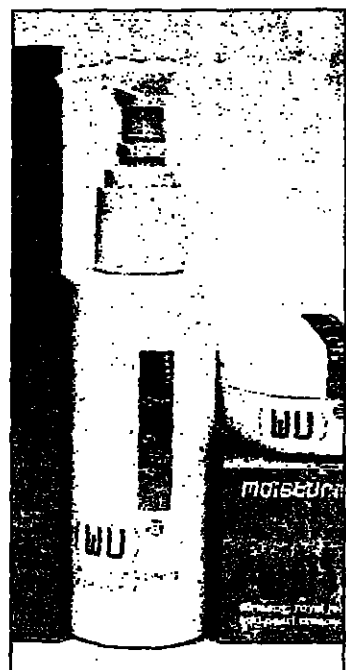
THE first thing that attracts you to Wu, as it nestles between the other beauty products, is the ultra-modern, lime-green packaging and the mysterious digital typography of the word Wu.

This is misleading, for Wu is not "new, futuristic, and amazing" as its appearance suggests. Rather, it uses ancient traditions of Chinese herbalism (Wu is the Mandarin word for five and represents the five elements – metal, wood, water, fire and earth), translating them into skincare products.

For those unfamiliar with traditional Chinese medicine, it is an effective and sometimes miracle cure for conditions such as eczema, acne and skin allergies, as it treats the individual from the inside using herbs. In Chinese, eczema means "damp rash", and England is a very damp country, so to cure it Chinese doctors get rid of the dampness. Acne is about being too hot inside.

The best thing about Wu as a company is that it is not a big conglomerate, nor is there one lurking in the background handing out big bucks. Rather it is run by just one woman, a 30-year-old called Julia Kwan who moved to London from Hong Kong three years ago, noticed a gap in the market, and left her job in television to pursue her dream. When we meet, she says: "You are looking at the whole company," while delicately sweeping her hand around a room empty except for several jars of unusual looking herbs and antique Chinese chairs.

"I designed the packaging, the logo, and I developed each product with traditional herbalists in China," she says. Ms Kwan doesn't claim that her products are miracle workers, but they sure do contain some potent herbs. Ginseng is good for anti-aging, circulation and regeneration of cells; collins is a pick-me-up with soothing properties for angry skin; and pearl is a good source of calcium, promoting radiance. Many of the other herbs used ease out heat, dampness or cold – appa-



rently the root of all problems in Western culture.

The range, which is unisex, and is split into sections for normal, dry and oily skin – as well as stand-alone products such as the Morning! mask (an amazing wake-up call) and the Pearl & Silk Rejuvenator (which brings the skin alive) – is gaining a cult following among those switched on to the subtle benefits of Chinese medicine.

What's more, at each place they are sold (Harrods, Liberty, Space NK Apothecaries, Fenwick's) there is an expert on hand to provide advice about what kind of nourishment your skin needs.

Prices range from £3.99 for Ginseng & Royal Jelly lip balm to £23.50 for the Morning! mask. Cleansers, toners and moisturisers cost an average of £18. For mail order enquiries, call 0171 240 6313.

— Melanie Rickey

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## Prejudice is the worst handicap

ACCORDING to a survey, one third of us think wheelchair users are stupid. And not only are they stupid, they complain too much – more than one in five say that the disabled should be seen and not heard; because they already have equal rights and have no cause to command any special attention. The same proportion feel awkward in the presence of a disabled person – as if disability is somehow infectious.

Liberal opinion is no doubt shocked at this level of prejudice. There are some eight million registered disabled, a huge figure even allowing for some false benefit claimants. Since this is almost one in seven of the population, one might assume that we mix pretty regularly. Yet over half of the 1,000 people questioned in the survey say that they have no regular contact with anyone disabled – a figure that rises to 60 per cent among under-35s. Prejudice is born of ignorance. With so much ignorance about the lives of the disabled, it is little wonder that the response is thus.

Our attitude to the disabled is a bizarre mixture of admiration and contempt. We all admire those plucky disabled marathon runners. The disabled Olympics is watched with an awed fascination. And yet, according to the survey, more than 40 per cent of us think that it is "virtually impossible" for the disabled to get a job, and a third say that they should not expect to be able to use public transport. Perhaps this is why one of the disabled people who took part in a companion survey said he wanted to shout out, "I am alive, don't ignore me."

These findings help to explain why the debate on disability benefits has been so unsatisfactory. The scale of the disability benefit bill – £23.5bn a year – and our confused attitude means that allegations of widespread fraud are accepted almost without question. It is perfectly proper to review the process and ensure that the money is being spent appropriately. Indeed, it is curious that the level of claimants rises so steeply in unemployment blackspots. Only last week, however, a committee set up with the intention of proving fraud could find very little significant evidence.

But this is about more than how we allocate money. It is about prejudice. Most prejudices break down when reality hits home. The reality is that many things the able-bodied take for granted – public transport, access to cinemas and theatres, air travel and shopping – are at best an obstacle course and at worst well-nigh impossible. So long as our attitudes remain at the level shown in the survey things are unlikely to change.

Long-term approaches are more likely to bear fruit. Groups such as Scope and the representatives of Down's Syndrome children have long argued that sending children with special needs to their own schools, although done with the best of motives, can be deeply demoralising, reinforcing the idea that they are different. They have a point. What we learn in childhood stays with us, and if we learn that the disabled cannot cope with a normal school then it is no surprise that they think they cannot cope with a normal life.

But it is not special schools as such that are the problem. Rather, as the parents who protested at Downing Street yesterday argued, it is the rigid, bureaucratic application of individual local education authorities' policies – some favour special schools, some do not – that causes heartache. There are no pat solutions. Every child is different, and should be treated as such.

The more extreme disability rights campaigners use words like "apartheid" to describe their situation. One's first response is to bridle at the exaggeration. But the attitudes revealed in this survey show that it is nearer to truth than fiction. If the idea of community is to be more than a mere slogan, we need to begin by addressing our own prejudices, and debate how we can make the disabled full participants.

## Viagra, potent symbol of our self-doubts

WHAT A DIFFERENCE a drug makes, especially when it is called Viagra. Only a few weeks ago, most people were living under the impression that male impotence was a major problem for a small minority of men, and that our sex lives were, in the main, pretty good. Indeed, the all-conquering New Lad culture is not just about sex but about loadsex and, come to brag about it, loadsex. But the prescription pad does not lie (although clearly others have been.) In America, Viagra is the fastest selling new drug in history. Valium was the Seventies, Prozac the Eighties and now Viagra, it appears, is the Nineties.

But what does this say about us and the times in which we live? All those sensual Hollywood films and sex-charged advertisements that bombard us from every television screen and billboard imply that our lives revolve around sex, and very fine sex at that. But perhaps this is not the case. Is it that we have suddenly realised that we are not driving Ferraris but mere Escorts? Or even Trabants? Who knows? All we do know is that while it is still early days in Britain (Viagra has not been licensed here yet) this is clearly more than just a drug. Just as Prozac made us start to examine why, in our affluent times, so many people seemed to be dissatisfied with their lives, so Viagra is making us question our satisfaction with our sex lives and the very fundamentals of the relationships between men and women. Things may never be the same again.

## The smoke clears

THE GOVERNMENT'S refusal to ban public smoking is a victory for common sense over the so-called "common good". Yes, the health dangers of smoking are beyond dispute, but the case against passive smoking remains hotly contested thanks to contradictory evidence. Unfortunately, in the battle between anti-smoking and pro-smoking interest groups, both sides insist on claiming the moral high ground. As the pro-smoke lobby cites "individual liberty" and the anti-smoke forces insist on defending humanity's corporeal purity, this government has taken an intelligent, non-combative approach to a social problem whose solution must remain voluntary.



## Nuclear folly

Sir: The Government is to be congratulated for its prompt condemnation of the Indian nuclear tests. However the contradictions in our civil nuclear policy are now even more apparent.

While committed by treaty obligations to stopping proliferation, Britain extracts plutonium from spent nuclear fuel and stockpiles it at Sellafield. According to the Royal Society, by 2010 the UK stockpile will exceed 100,000 kilograms, approximately two-thirds of the global stockpile. British Nuclear Fuels' "solution" to this obvious security problem is to fabricate plutonium oxide with uranium oxide and create an international market for this MOX fuel. MOX is not a solution. Plutonium can be extracted from MOX fuel assemblies and used to make nuclear weapons. A bomb can be made with just 4 kilos of this most potent nuclear explosive.

The Indian tests show the failure of the dominant approach to controlling nuclear proliferation pursued by the US and UK. This is based on the idea that a large carrot (technical and economic aid) and a big stick (sanctions and military interventions) will stop aspiring nations acquiring nuclear weapons.

The result is folly on a grand scale. We show that we believe nuclear weapons give Great Power status by modernising our nuclear arsenals, yet expect countries with Great Power aspirations not to follow us. We build up the plutonium trade, yet expect this will not lead to nuclear proliferation.

The alternative is to show our commitment to the non-proliferation regime and stop sending contradictory signals. A first step would be to halt our contribution to the trade in highly enriched uranium and plutonium by ending reprocessing at Dounreay and at Sellafield.

DAVID CHAYTOR MP  
(Bury North, Lab)  
ROSEANNA CUNNINGHAM MP  
(Perth, SNP)  
CYNOD DAFIS MP  
(Ceredigion, Plaid Cymru)  
Dr PAD GREEN  
Friends of the Earth

DAVE KNIGHT  
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Dr DAVID LOWRY  
UK Representative, Nuclear Control Institute, Washington DC  
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JILL STALLARD  
National Secretary, CND Cymru  
London NI

Sir: The Central Electricity Generating Board estimated some 20 years ago that wave power could supply "the whole of Britain with electricity at the present rate of consumption". A more recent official evaluation for the European Union said that wave power could provide 85 per cent of the electricity needed by the member-countries.

We could be enjoying its benefits now if the last government had not abandoned it, in order to pursue Margaret Thatcher's ambition of building 10 pressurised water reactors in 10 years.

The research into wave power has been done. One neglected device, the invention of Sir Christopher Cockrell, is an articulated raft which was tested successfully in the Solent as long ago as 1978, with an energy minister on board. It could be mass-produced now, if the will exists.

DAVID ROSS  
London SE5

## Beating the Germans

Sir: Your report "Germany moves in on the world's boardrooms" (25 May) describes a sensible, strategically minded and forward-looking country positioning itself to become a major player in the global economy.

There is actually nothing particularly clever about what the Germans are doing; unless, being British, you are unused to people being able to think beyond the end of next. Then

what the Germans are up to is obviously pretty sneaky.

I mean to say, employing management teams and bankers who are actually able to plan for the future and link such "ancient" topics as technological development with business success is really pretty unfair. Even more villainous is the fact that the Germans actually invest money in their industries.

For UK plc a loud wakeup call is due. We have to choose whether we wish to be a global player or not, and if we do then we need to take a leaf out of Germany's book. Whilst German unemployment was higher than in the UK they still ran a trade surplus, and were able to pay their way in the world. The UK has run a trade deficit for longer than I care to remember. Investment in industry has proven the Germans right time after time.

DICK WINCHESTER  
Old Rayne, Aberdeenshire

## The uses of embassies

Sir: I was concerned to hear, yet again, that the Government is looking to sell off some of this country's embassies and other diplomatic properties abroad – because they are too grand (report, 25 May).

These buildings serve as our shop window in every corner of the globe. They provide a foothold for British companies seeking to export British products. A great many contracts have been agreed within their walls – with the essential assistance provided by embassy staff able to brief companies about local business life and culture.

We trust Tesco, Marks and Spencer, Boots and similar high-street names because they offer a quality shopping environment in prime sites. That is why they are successful – and that is how our embassies have managed to contribute to our trading success (with efficiency

that has been, perhaps, too quiet).

Our embassies are not broken, Mr Brown, so please do not try to fix them.

H O JONES  
Cardiff

## Peaceful bazaar

Sir: Your statement that "tomorrow the President of the Board of Trade opens what amounts to an arms bazaar for South Africa" (leading article, 26 May) is a complete travesty. What I am actually doing is launching a campaign promoting a range of sectors, of which arms is not one – as your own news report makes clear.

South Africa's economy can only benefit from an increase in two-way trade and investment, which is what this campaign is designed to achieve. A particular element in the campaign will be the use of the new information technology to help to develop the emerging small- and medium-sized business sector in South Africa.

MARGARET BECKETT  
President of the Board of Trade  
Department of Trade and Industry  
London SW1

## More equal than men

Sir: I am bewildered by the Court of Appeal ruling (report, 22 May) on the case of the Tube train driver who claimed sex discrimination on the grounds that a change in her shift pattern had made it impossible for her to work and also look after her child.

It seems that men and women must continue to be treated equally by employers except where this would be to the disadvantage of women because of any private and personal commitment they might have. I am glad that I am not an employer.

WH COUSINS  
Upminster, Essex

## The real victims of war

Sir: The real apology is owed not by Japan to British war veterans but by Britain, France, Portugal, the Netherlands – and indeed Japan – to the native peoples of South-east Asia, none of whom asked to be fought over or conquered, or to have their land and minerals stolen from them, or to be treated like inferior beings in their own countries. The conscripts sent to defend the evils of those empires should direct their complaints to those who drafted them.

CHARLIE ROSE  
Bristol

## Bring back the bins

Sir: Following the overwhelming vote in favour of the Good Friday agreement, what chance is there that Rail-track and London Underground will now release their litter bins from the internment in which they have languished since the 1991 Victoria station bomb, so that they can once again help to keep stations free of rubbish?

JOHN MULDOON  
London SE6

## Arts Council drama

Sir: In her letter of 23 May, Jules Wright quotes my statement that members of the Arts Council's Drama Advisory Panel were "hand picked" by me. I should add that during my time at the Arts Council, anyone could apply for panel membership. The council is a publicly accountable body, and all applications were considered in careful consultation with the director of the artform, the chairman of the panel and, in the case of drama, the Secretary General.

THELMA HOLT  
London, WC2

## Football addicts

Sir: Tony Banks ("Football fans hit by big ticket price hike", 25 May) claims that supporting a football team "is a drug: people are hooked on it". And the habit costs as much as £35 a week during the season. So why is it legal?

JASON DITTON  
Glasgow

MILES  
KINGSTON

## Yul Brynner and I – a 30-year quest for the deep boredom of film-making

HAVE YOU ever seen a film called *The File on the Golden Goose*? Have you ever heard of a film called *The File on the Golden Goose*?

You are not alone. I have never met anyone who has heard of this film or seen it, and until the other day I had never seen it either, but although it was made thirty years ago I have been longing to see it for thirty years, just to see Yul Brynner outside my house.

Let me explain. Thirty years ago I lived in London, in Notting Hill, at 74 Kensington Park Road. This was a flat on the ground floor, on the street corner, from where, as I sat at my desk working, I could see everyone coming and going. The most coming and going took place on Saturday, because the Portobello Road is just around the corner, and Saturday is the big day for antiques at the top end and vegetables elsewhere.

But on one particular Saturday there was even more coming and going than usual, because they were filming on the street corner opposite. The usual fuss – cameras, cranes, canteens and carloads of lights. There were some important people doing not very much and some not very important people rushing around trying to look important. And there was me, trying to do some work. But curiosity got the better of me and I wandered across the road to find out what was happening.

Everyone was grouped round one doorway, leading to the flat belonging to a neighbour called Faynia Williams (now a distinguished theatre director) and, as is usual in filming, nothing was happening. I asked someone what it was all about.

"Oh," he said, "it's a sequence from a film starring Yul Brynner called *The File on the Golden Goose*."

"What's the sequence about?"

"Oh, one of the actors walks across the road and into the house."

"And ...?"

"Nothing. That's it."

I watched for a few minutes, but nothing happened so I went back to my work. I came to the conclusion that filming must be 20 per cent action and 80 per cent inactivity, though when I later came in to do some TV filming in my own right, I found I was wrong. It's more like 95 per cent boredom, 5 per cent activity. It must have taken them nearly two hours to do the one shot.

The only thing that happened was that one time when I glanced up I realised that someone was leaning on the garden wall outside the window staring in at me. I recognised him. It was Yul Brynner. For a moment I was baffled rigid, but then in a flash I realised the truth. Yul Brynner was so bored by the whole proceedings that he had nothing better to do than stare at me working at my typewriter. I felt he had better have something to look at, so, some-

what embarrassed, I bent to my work. Next time I looked up he had gone.

I didn't catch the film when it came out, much though I wanted to see my street corner. Later, it was hardly worth buying on video just to see my street corner. So I never saw it. Not, that is, until it was broadcast on TV a few weeks ago, when I taped it on video, and I have been idly spoiling through it ever since, a few minutes at a time, while I shave in the mornings. I now realise why nobody talks about it much. It is probably the most boring thriller ever made.

The film is so bad that all the TV-film video guides I know ignore it, except Halliwell, who summarises it thus: "Incredibly predictable spy thriller which almost makes an eccentricity out of collecting so many clichés and so many tourist views of London. Like ten TV episodes cut together ...". That seems fair to me. It is certainly true about the tourist scenes of London.

One bit I viewed last week took the characters to a Turkish Bath, presumably the old Baths in Jermy Street. A few minutes later – or nearly a week later, the way I've been watching it – Yul Brynner is trailing Charles Gray down the Portobello Road. And then – miracle of miracles! – Yul Brynner follows him round the corner (there's my house, with me in it, invisibly typing!) and Charles Gray goes into Faynia Williams's house....

That's it. That's all that happens. I don't know what happens after that because I don't have to watch any more of this awful film, and I don't care, but at least I have achieved a thirty-year-old ambition and seen on film what I never saw at the time: Charles Gray crossing the road and going into a house opposite me at a typewriter.

Looking back I think perhaps I might have entertained some more lofty ambition for thirty years, but it's too late now.



## Is there any way of escaping the corporate predators?



DIANA COYLE

NOBODY seems to be safe from the corporate Goliaths. Across the business landscape, from the music and software industries through publishing to the restaurant trade and even accountancy, the behemoths are cramming smaller rivals into their maws. Is monopoly capitalism triumphant at last, the US Justice Department's suit against Microsoft just a brave, doomed last stand?

It's the obvious conclusion - but the wrong one. The ostentatious display of strength by today's giant corporations actually reveals their weakness. They are gobbling smaller rivals because the small companies have an essential ingredient that they don't possess: the ability to innovate, the ultimate source of profit in growth industries.

Big is certainly still beautiful in some ways, or gigantism would not be such a widespread phenomenon. It is as if Adam Smith's invisible hand has shaken the economic kaleidoscope, rearranging all sorts of industries into a pattern of a handful of mega-companies surrounded by a constellation of much smaller independent outfits. The number of giants is shrinking, and the biggest of them are constantly feeding their appetite with a steady diet of tiddlers.

The recent takeover of Polygram by Seagram put the spotlight on these developments in the music business. It is now dominated by six - perhaps soon to be five - majors such as Polygram and Sony. Independents like Creation Records and Putumayo hold on to about a fifth of the world market, but the giants hold a stake in many of these. Sony owns nearly half of Creation, for example. Publishing has been undergoing the same sort of process of concentration, leaving the remaining independents either vulnerable to predators or stuck in a small niche.

Independence in other industries is even more ephemeral. Take biotechnology, for example. There are numerous start-ups, many born out of the university science parks. The majority have a short life.

If they do not go belly-up in their first few years, the odds are they will be bought by a pharmaceuticals giant or, at the very least, be taken into the corporate fold through joint venture agreements. The same is true of most high-tech and software startups. It even applies to restaurants. Small, successful groups like Café Pelican in the end find themselves becoming somebody else's tasty morsels - Whitebread's in its case.

There is nothing new about takeover waves as such. The difference this time is that small businesses appear to have no alternatives. Either they can sell up or they get squeezed out. Organic growth is off the menu. The explanation lies in the increasing importance of marketing and distribution. There are huge

economies of scale in being able to tap into the global market, and in being able to create a world-wide brand. The bigger the advertising and distribution budget can make the market, the higher the profits. This creates a strong incentive for mergers and takeovers, leaving a few dominant corporations in each business.

The problem for the corporate giants is that they are all dressed up with nowhere to go. They have the size and muscle, the global reach and the huge advertising budgets. But they need to have a constant flow of things to sell if they are to profit from their scale. Brawn is no good without brain, especially in creative and "knowledge-based" industries. Their solution: buy in the brains.

This is the real reason the big fish are gobbling up the minnows. They can not generate enough products - enough new bands, new scientific breakthroughs or new authors by themselves. Large organisations are inherently bad at managing creative types or boffins - who are, indeed, inherently bad at being managed. Worse, in some businesses, the innovators and creators are actively hostile to the big boys. Many's the up-and-coming cool software genius who wants nothing to do with Microsoft. The only way to get at this bolshy talent is to buy the smaller company that can access it.

So what looks like overweening behaviour on the part of mega-corporations should be great news for the talent. While the barriers to anybody who wants to compete head-to-head with today's corporate giants for access to the global marketplace are enormous, possibly insurmountable, it is relatively easy to get into the business of creating something to sell to the mammoths that they badly

In this modern class warfare, the human beings still have an advantage

badly want. There are big profits out there for the taking, and the fact that so many industries are undergoing a process of concentration at the top does not mean that the profits will inevitably fall into their hands.

Rather, there is an opportunity for the people who have what a knowledge-based economy is based on - namely, ideas - to exploit the desperation of big companies to acquire this scarce resource.

The real monopolists are not those who wield huge amounts of finance capital, for there is plenty of that around. It is what economists like to call human capital that is in short supply, but that description is misleading. "Labour" might be a better name for it, although obviously labour of a specific kind.

In this very modern version of class warfare, pitting monopoly capital against the knowledge workers, the human beings still have an advantage over the corporations. It takes a good idea and a bit of entrepreneurial spirit to start up a small business that will have big businesses falling over each other to buy it up.

The longer corporate appetites remain ravenous, the richer it will make the little guys.

## Has Hollywood forgotten the art of making magic on the silver screen?



STEPHEN AMIDON

A SURVEY of the nation's young people asking them to name their top five films has yielded surprising results.

A generation weaned on celluloid sex, graphic violence and special effects has listed *Gone with the Wind* and *Casablanca* as the best movies of all time. It is only after these two classics - made before the parents of some of those surveyed were alive - that today's youth picked less remarkable choices, with last year's blockbusters *The Full Monty* and *Titanic* grabbing third and fourth place. *Star Wars*, made in 1977 but recently re-released amid much fanfare, came in fifth.

So why is there still, among the young today, this harking back to the golden age of cinema?

The reason is simple, and stands as an indictment of today's film industry. Most contemporary movies are intended to be disposable commercial objects, quick profit-turners that are as greedily consumed and quickly forgotten as tabloid newspapers, video games or, indeed, soft drinks.

Modern films such as last year's *Independence Day* or the upcoming *Godzilla* tend to be the result of market research into cultural and economic trends rather than the brain children of inspired auteurs who will do anything to get their visions on screen. Is the *Halle Bopp* comet making the news?

Then let's shoot a movie like the just-released *Deep Impact*, in which a giant bit of space debris flattens the Earth. As film producers target younger and younger audiences, their products become increasingly wedded to the here-and-now, the point of sale and the impulse buy.

The notion that these films will have a shelf-life longer than the new All Saints CD rarely enters the minds of the people making them. It is no coincidence that three of the biggest box office stars in the business - Schwarzenegger, Stallone and Willis - are able to use the exact same skills displayed in their movies to create a chain of hamburger restaurants.

The result of this obsessive topicality should be a generation of moviegoers who have little time for films from a more grown-up past.

Today's teenage ticket-buyer is wholly a creature of the present-day marketplace. He probably had his first childhood cinema experience watching a film that sprang from the corporate



Humphrey Bogart and Ingrid Bergman in 'Casablanca' appeal to a new generation

Photograph: MSI

imagination of Disney's doodling salesmen. The content of these first offerings differed little from what was available on home television or computer screens. Product spin-offs clogged the aisles of the toy shop and a video cassette purchase was nearly inevitable.

These initial childhood experiences were followed by early teen movies that were exactly like what could be seen on television, only more so, offering increasingly explicit doses of profanity, violence and nudity.

It would be reasonable to assume that for these kids, *Gone with the Wind* would

US President, derives its meaning and purpose from no other source than the current sensationalist headlines detailing Bill Clinton's sexual peccadilloes. Take away that news buzz and the film has little reason to exist.

It is a far cry from Frank Capra's *Mr. Smith Goes to Washington*, which eschewed identification with any contemporary scandal to create a story of political intrigue far more memorable than Nichol's glitzy effort.

So, by the time he reaches the 16 to 25 age group covered by the recent survey, the young moviegoer should have

that motion pictures used to be serious spectacles rather than fleeting roller-coaster rides into various corners of the collective id, conducted by beefed-up stars and cynical directors who command nothing more than five quid and a couple hours of your time.

The choice of *Gone with the Wind* and *Casablanca* also suggests that young moviegoers hunger for a different sort of escapism than the intergalactic morphing currently masquerading as screen magic.

The impossibly elegant stars and plausibly exotic locales of those two films suggest an fantasy world which can still manage to be grown-up.

For a young person to watch Bogart and Bergman or Gable and Leigh is to experience a sort of idealised personal future that is the stuff of true cinematic dreams.

To watch Bruce Willis, Madonna or even *Titanic*'s Kate Winslet and Leonardo DiCaprio - who speak and act like a couple of modern mall rats - is to surf through a hyped-up present that provides little resonance once the lights go up.

It will be interesting to see the results of a similar survey taken five years from now. I would bet the price of a couple cinema tickets that those top two choices will remain the same, while the following three will have rolled-over to whatever were the must-see films of 2002.

To paraphrase Norma Desmond in *Sunset Boulevard*, maybe it isn't the kids who are getting smaller, but the movies they are being sold.

Contemporary movies are meant to be disposable objects like soft drinks

hold about as much excitement as three hours in front of a prehistoric cave drawing.

And this process of indoctrination into a world without a movie past doesn't stop with puberty, but continues right through the 18-year-old watershed. Films that supposedly deal with "adult" themes, such as *Basic Instinct*, are in fact just as superficial as those first childhood flicks.

You just get to see more blood and naughty bits. Even "serious" films these days tend to sacrifice depth for topicality. The forthcoming *Primary Colors*, for instance, directed by the venerable Mike Nichols and starring an in-form John Travolta as a promiscuous but popular

been stripped of any feeling for the importance of old films. Whatever blockbuster lust crossed his field of vision should, in theory, top his list. And yet he still feels compelled to pull two classics out of the hat.

Despite the market surveys, slick style and titillating content, the kid in the fourth row feels that something is missing from the modern screen. Even if he hasn't actually even seen *Gone with the Wind* or *Casablanca*, he knows enough to realise they are a repository for a magic currently being denied his generation.

Perhaps today's young moviegoer harbours a small, simmering resentment of the blatant exploitativeness of modern movies, a sense that he knows

## Politicians won't admit it, but closing hospitals is good for the NHS



ROY WITLEY

OR any member of the public who has ever had a relative landed on a hospital trolley, marooned in a corridor, the idea of closing hospitals to improve patient care seems incomprehensible. But we do have too many hospitals and we use too little of them. This

simple truth is the harshest reality facing the NHS. Hospitals consume a vast amount of money in fixed overheads and the number of hospitals we run cannot be justified.

Too many have been built or retained purely as a result of local political pressure rather than real need. The result is a duplication of services with a lowering of quality. It cannot and should not go on.

Of course when they're in opposition, politicians won't say this. For them putting a rationale into resource allocation is the most wicked kind of rationing, hence the row today.

The cries go up - "cuts", "the NHS under siege" - 14 days to save the NHS" and all the

rest of it. How different it all is from behind the other side of the desk in Whitehall. Politicians, soon discover new priority, to make the capital devoted to the NHS work as hard as its staff. They don't have to go very far to find some examples.

Drive past any hospital on a Sunday and the doctors' car park will be empty. And not because the doctors have jogged to work! It is simply that most diagnostic equipment and operating theatres, the NHS's most valuable assets, don't operate before 8am or after 4.30pm.

If these assets were in the private sector, in a manufacturing plant, say, then they would work around the clock. But they seldom raise a sweat in the NHS. Despite the ap-

pearance that the NHS heaves, strains, pushes and pulls, it is simply demonstrating its inefficiency. The NHS, all too often, doesn't work. Not that is, work in the sense that a Swiss watch or a computer chip does.

The NHS has always soaked up money without any real discipline about how it is spent. Efficiency and effectiveness have long been neglected - partly because of the political arguments that get in the way of rational debate.

Despite what Secretaries of State for Health say in the press and on TV, to reassure an incredulous public, there is an agenda to push hospitals together and close some down. Insiders in the NHS have known for months that regional offices of the NHS Ex-

ecutive have been pushing a formula known as "reconfiguration". This means merge, close, take wasteful capacity out of the system and drive the NHS to new levels of efficiency.

The big problem, as always, is public reaction. Close a hospital at your peril. The articulate middle classes will wage war from their sitting rooms, on their word processors, on e-mail while others will mob public consultation meetings and turn them to farce.

The politician fears to pursue the long term interest of the health service because of the fear that he will, like so many of his predecessors, watching his career disintegrate under charges that he is "uncaring". Can Labour succeed where

the Tories failed? They may have a chance. They have a new ally, a new type of doctor that they can use. Spin doctors may just be able to persuade the public that, in its 50th year, a year marked with special enthusiasm by Labour, who claim paternity of the service, that the child has grown up and grown out of its old clothes.

It is a message that asks us to look at the bigger picture and face up to the problem of resources. It is one that has to be put straight-forwardly. New Labour may just be able to persuade us the mergers and closures mean a new and a better NHS.

The writer is visiting Fellow at Imperial College Management School.

### Jet flap

WHEN a chunk of wing broke off a British Airways Concorde whisking Rupert Murdoch and 61 other passengers and crew to New York last night, it was bound to raise questions about the longevity of these supersonic jetliners. Most Concordes are over 20 years old now; they regularly fly at speeds exceeding Mach 2 and reach altitudes near 70,000 feet. Pandora asked Pete Middleton, a BA press spokesman, how old last night's disadvantaged Concorde was. "Pass," was his answer, "but you have to bear in mind that it's not the age but the amount of flying time that matters with aeroplanes." According to his reckoning, a 20-plus-year-old Concorde, which travels so much faster and less frequently, has a flying life

equal to a four- or five-year-old 747. Pandora reminded him that many of the tycoons who run their own private jets would consider a five-year-old plane ripe for trade-in.

### FOB

ON Monday Pandora wrote about generous Bernard Schwartz, multi-millionaire American chief of Loral Space & Communications and leading financial benefactor of President Clinton's last campaign, who is at the heart of the Chinese satellite controversy now engulfing the White House. Schwartz attended both a VIP New York fund-raising event for the British Labour Party in February 1997 and the glittering bash which Clinton hosted for Blair in Washington this year. Now word has

## PANDORA Party 2000

reached Pandora that, contrary to what appeared here on Monday, campaign contributions were accepted from American citizens by the Labour Party. My call to Labour Party headquarters yesterday with a request to know if Bernard Schwartz had given a substantial gift to Labour was not entirely productive. All donations over £5,000 are published, but the list of donations is at present only available up to 1996. According to the Labour spokesperson, the 1997 list will be audited and published in time for the autumn Party Conference. However, she said, "We'll try and help you with this." Pandora is nothing if not patient.

### He who dares

WHAT are we to make of this US Navy "radio communiqué"?  
Voice One: Please divert your course 15 degrees to the North to avoid a collision.  
Voice Two: Recommend you divert YOUR course 15 degrees to the South to avoid a collision.  
Voice One: This is the captain of a US Navy ship. I say again divert YOUR course.  
Voice Two: No. I say again you divert YOUR course.  
Voice One: THIS IS THE AIRCRAFT CARRIER ENTERPRISE. WE ARE A LARGE WARSHIP OF THE US NAVY. DIVERT YOUR COURSE NOW!  
Voice Two: This is a lighthouse. Your call.

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## ROYAL ENGAGEMENTS

The Duke of Edinburgh, Patron, attends the 50th Anniversary Dinner of the Disabled Drivers' Association at the Grosvenor, Fort Belvedere, London WCL. The Duke of York, Patron, attends the 10th Anniversary of the Royal Society for the Blind, at the Grosvenor, Fort Belvedere, London WCL. The Duke of York, Patron, attends the 10th Anniversary of the Royal Society for the Blind, at the Grosvenor, Fort Belvedere, London WCL. The Duke of York, Patron, attends the 10th Anniversary of the Royal Society for the Blind, at the Grosvenor, Fort Belvedere, London WCL.



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# ICL's alliance with Microsoft will create 1,000 new jobs

By Peter Thal Larsen

THE COMPUTER services group ICL yesterday unveiled a worldwide strategic alliance with Microsoft, the US software behemoth, which is expected to bring in revenues of £500m over the next three years and create 1,000 new jobs.

As part of the alliance ICL, with support from Microsoft, plans to open seven new centres around the world and train more than 4,000 staff to deliver the services. The two companies will develop a new

breed of "consumer focused" IT systems, based on Microsoft's Windows NT operating system, which will be targeted at four key market areas: retail, government, education and major companies.

Examples of new projects include on-line shopping, putting schools on the internet, distance learning and installing kiosk systems that provide access to government information.

Keith Todd, ICL's chief executive, said the company was already using Microsoft software to offer similar products. The com-

pany is introducing new electronic point-of-sale software for Marks & Spencer, while it is also bidding with Microsoft and Andersen Consulting, the outsourcing group, to install a new benefit payments system for the Department of Social Security.

Financial details of the deal were not disclosed, though Steve Ballmer, Microsoft's executive vice-president in charge of sales and support, said the US group was investing "tens of millions of dollars" in the project.

Most of that funding will go towards re-training staff to use Microsoft software,

which ICL said would be the largest commercial IT training programme in Europe. Keith Todd, ICL's chief executive, said the company would take on 1,000 new staff across Europe, about half of which were expected to be in the UK.

He added that some staff would be skilled software engineers. However, he said the company would also be hiring unskilled workers, and planned to find at least 50 people through the government's welfare to work scheme.

Three of the seven new centres will be

located in the UK, in Bracknell, Manchester and Belfast. Others will be opened in Stockholm in Sweden, Katowice in Poland, and Redmond and Wake Forest in the US.

Mr Todd said that using the Microsoft platform would allow ICL to offer flexibility and value for money to its customer base. He said the company would continue to support other operating systems, but that all new products would be based on Windows NT. In the past, ICL has offered products based on the Unix system, among others.

Analysis said the move was a boost for

ICL's plans to float on the London Stock Exchange in the year 2000. However, they suggested the costs of retraining staff would initially depress ICL's profits. Last year, the group made its first profit in years, reporting a £32.5m operating profit on revenues of £2.48bn.

Mr Todd said it was hard to determine whether the promised extra £500m of revenues would not simply replace projects that ICL would have won anyway. However, he said he expected the company to continue to grow "ahead of the market rate."

## Morgan four seek inquiry on ruling

By Lea Paterson

The former Morgan Grenfell directors implicated in the Peter Young fund management scandal are to call for an independent inquiry into the handling of their case by Imro, the City regulator.

At least three of the four former directors disciplined last week by Imro are expected to write to the watchdog's chairman, asking for an independent inquiry and alleging there was a "clear abuse of process" during the investigation.

The issues to be raised in the letter to Douglas McDougall, Imro's chairman, include concerns about the length and the costs of the investigation as well as the tribunal process.

All four former directors chose to settle with Imro rather than take their case to an independent tribunal process and fears over escalating costs.

One of the four said: "Because it's all been so appalling, we feel we have to do something. We believe there are sufficient powerful reasons to call for an independent review."

Five directors at Morgan Grenfell Asset Management (MGAM) were dismissed in 1996 following the discovery of "serious irregularities" in three funds managed by Peter Young, currently under investigation by the Serious Fraud Office.

Four of the five - Paul Ehling, Graham Kane, Glyn Owen and Michael Wheatley - were disciplined by Imro last week. Keith Percy, formerly

MGAM's chief executive, is still negotiating with the watchdog and is believed to be considering taking his case to an independent tribunal.

One of the four said: "There is no effective appeal process. Imro's executive acts as judge, prosecutor and jury. The alternative [to settling with Imro] - the disciplinary tribunal - is out of the question in terms of finance. My lawyer advised me that to go to tribunal with a decent QC would cost a quarter of a million pounds. And that's just my costs. You also run the risk that, if you lose, you end up picking up Imro's bill too."

Legal sources estimate that Imro's tribunal costs could exceed £500,000.

The former director said his letter would highlight the time the investigation had taken. He also pointed to the fact that, with the exception of Mr Ehling, none of the dismissed directors were interviewed by Imro before MGAM was disciplined in April 1997. He said: "This was prejudicial to our position. The company admitted certain charges, and by admitting these, it made us very difficult for us to do anything."

An Imro spokeswoman said letters to the chairman were considered on an individual basis, and pointed out that Imro's disciplinary process was agreed after "considerable consultation with the industry".

She added: "No one has made anyone settle. Settlement is an agreement."

Outlook, page 23



Electronic trading will speed up business when Liffe introduces it next year, six months earlier than planned

## Liffe to speed up abolition of open-outcry trading system

By Lea Paterson

LIFFE, London's futures and options exchange, is to speed up the introduction of electronic trading. It now hopes to introduce an electronic system by the second quarter of next year, six months earlier than planned. The electronic system will run alongside Liffe's open outcry trading floor.

The exchange is also to allow non-members to buy shares in the exchange, a development which could eventually lead to flotation.

The proposals were contained in a long-awaited strategy document, released yesterday, designed to recapture Liffe's position as a leading exchange.

Liffe's plans - which still need to be endorsed at an extraordinary general meeting of its members on 9 June - received a mixed reception from its membership yesterday.

Many - in particular, the large American houses - were pleased to see the exchange reiterate its commitment to electronic trading, although a few felt the proposals had not gone far enough.

"The restated commitment to open outcry is a disappointment," said David Martindale, a prominent local and a vocal supporter of electronic trading.

Other of Liffe's "locals" - traders who speculate on the exchange with their own money - expressed disappointment

with the board's move towards electronic trading, saying it could spell the end of both their livelihood and, ultimately, the exchange itself. "Open outcry is where Liffe's competitive edge lies," commented one.

Daniel Hodson, Liffe's chief executive, said: "In three months the board of the exchange has come a long way and taken some enormous steps". Liffe's management has come under heavy criticism in recent months for its failure to embrace electronic trading earlier. Many attribute it to the rapid decline of Liffe's market share in the prestigious German government bond (Bund) future.

Mr Hodson said the proposal to allow non-members of

Liffe to buy shares in the exchange was consistent with the board's proposals, announced last month, to introduce a "for profit" objective. Until now, share ownership has been restricted to members of the exchange. Liffe's chief executive ruled out any move towards a flotation in the near future, though he said the option could not be completely disregarded in the longer term.

Mr Hodson said closer co-operation with other exchanges, perhaps even a merger, would be considered if it was felt this was in shareholders' best interests.

Liffe said Spitalfields in London's East End, was one of "several potential sites for housing the Exchange".

## ABN Amro in bid for Generale

By Nigel Cope  
Associate City Editor

THE Dutch banking giant ABN Amro paved the way for a potential auction in the banking backwater of Belgium yesterday when it launched a surprise hostile bid for Generale Bank, valuing the Belgian operator at £7.8bn.

ABN's cash and shares bid is 15 per cent higher than an agreed offer by Fortis, the Belgian banking group. However, analysts are not ruling out a higher offer from Fortis, though they said the price is already looking expensive. Generale Bank's board of directors is scheduled to meet today to consider the competing bids.

While ABN Amro claimed its bid offered "clear advantages" to all parties over the Fortis offer, analysts said the Dutch giant would struggle to overcome an agreement between Fortis and Generale's largest shareholders which have already undertaken to accept the Fortis terms.

Societe Generale de Belgique, the largest investor with a 29.2 stake, repeated its commitment yesterday. "Our sale is definitive to Fortis. The ABN AMRO bid will certainly not be looked at," it said.

Analysts expressed surprise at ABN's move but said it fitted the bank's strategy of seeking to strengthen its position in Europe. "With the coming of EMU and the euro, they feel they have to be bigger to survive. It will definitely be a tough fight," said James Alexander of Dresdner Kleinwort Benson.

Ton Gietman of HSBC added: "Within Europe there is not so much they can acquire for the time being. The French and German markets are difficult to enter, so Belgium is a

good alternative, especially since Generale also operates in France."

Other analysts said Fortis still appeared to have the upper hand. One said: "Fortis has already made a decent offer - and they're better equipped with their Belgian personal relationships. If ABN Amro gets 55 per cent of Generale's shares, they may have a case, but I doubt whether it will get that far. Fortis might have to make a sweetened offer."

ABN chairman Jan Kalff forecast ABN Amro would win the bid battle. He said consultations with Generale Bank's executive committee would now resume after eight months of clandestine negotiations prior to the Fortis bid. "We have already reached such a firm footing in recent months ... that we trust the same enthusiasm that existed then (prior to the Fortis bid) still exists."

He continued: "We must look further ahead than tomorrow. Globally, increasingly large combinations are being formed, including in the financial sector. ABN Amro also arose in the early 1990s from a merger which predated developments at that time. We consider the time ripe for another similar step." He added that in 10 years time there would only be "a few banks that really count on a European level."

ABN is offering 19 of its own shares and 9,000 Belgian francs for every Generale share held - a total offer of 27,095 Belgian francs, valuing Generale at 24.5bn guilders (£7.8bn).

However, the ABN AMRO offer may run into problems with the European regulatory authorities. ABN is already one of the five largest banks in Europe.

## Sports float setback

By Nigel Cope  
Associate City Editor

Sports Division, the fast-growing sports retailer, has formally abandoned plans to seek a stock market listing this year due to City concerns over weak high street spending and a slowdown in top brand sportswear such as Nike and Adidas.

The company had been planning a £350m listing this spring, timed to take advantage of the World Cup next month. This has now been ruled out and next February or March has

been set as the earliest possible time for a float.

A company spokesman said yesterday: "Sports Division is now unlikely to float this year principally due to a weak retail market. The company will float at the most suitable time when it can give investors the growth they are looking for in a stable market."

The decision was taken following results from rival sports retailers JJB Sports last month and Black Leisure last week. JJB reported same store sales up by 3 per cent in current trading, while sales were flat at First Sports, part of Blacks Leisure.

Though the figures were not as bad as feared they still demonstrated a slowdown at a time when all the large chains are adding huge amounts of new space.

Sports Division said yesterday that it still plans to open around 30 new edge-of-town stores this year, taking its total to around 100.

It also has 190 high street stores, though the company is keen to shift its balance away from these.

## Decaux ups stakes in battle for More

By Peter Thal Larsen

THE bizarre bid battle for More Group, the outdoor advertising group, took another turn yesterday when Decaux, the French group whose £475m bid was last week referred to the Monopolies and Mergers Commission, announced plans to raise its offer if the bid is cleared.

Decaux said that it would raise its offer to 1,220p per More share if the MMC clears the bid after completing its investigation in September. The

offer, which values More at £508m, is a 110p premium to the improved 1,110p bid which Clear Channel, the US media giant, tabled last week.

Clear Channel's bid is final unless a higher offer emerges. It is understood that Decaux's promise does not count as a formal offer, suggesting that Clear Channel's bid will be allowed to lapse if not accepted by shareholders. More shares jumped 16p to 1,138.5p, suggesting the market expected investors to hold on for Decaux's offer.

## Mirror admits merger talks with Trinity but may sell to Germans

By Peter Thal Larsen

THE Mirror Group yesterday admitted it had been in talks with Trinity International, the regional newspaper publisher, about a possible merger, but that talks had now ended.

David Montgomery, the Mirror's chief executive, is understood to have approached his counterpart at Trinity, Philip Graf, a few weeks ago. Mirror said the talks had been at a "very exploratory" stage and had been terminated when

Axel Springer, the German publishing group, announced last Friday it was considering making an offer for Mirror.

Observers believe Mr Montgomery is keen to sell the company. "Monty is talking up the price of the Mirror by suddenly suggesting that there are lots of other bidders," one expert said.

Mirror shares surged 25.5p to 243.5p yesterday as the market for the first time was able to digest the implications of a possible bid. Analysts said that

any offer would have to be worth more than 255p, with some suggesting an offer could go as high as 300p.

However, many of the possible bids may never emerge. Trinity is believed to be reluctant to get involved in a public auction. And Independent Newspapers, the Irish newspaper group which owns The Independent, is understood not to be interested in making an offer.

Trinity shares rose 2.5p to 560p.

### Yesterday in the markets

#### STOCK MARKETS

Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	5955.90	-0.00	0.00	6150.50	4392.60	3.53
FTSE 250	5897.90	0.00	0.00	5959.50	4384.20	2.91
FTSE 350	2897.40	0.00	0.00	2938.70	2141.80	3.39
FTSE All Share	2833.31	0.00	0.00	2861.12	2106.59	3.36
FTSE 100 Index	2798.40	0.00	0.00	2798.50	2182.10	2.91
FTSE 250 Index	1594.50	0.00	0.00	1598.50	1225.20	2.99
FTSE 350 Index	1133.00	0.00	0.00	1133.00	989.90	1.05
FTSE EURO 100	1034.13	-	-	-	-	-
Dow Jones	6114.44	-17.93	-0.29	6261.91	4971.32	1.58
Nikkei	15783.12	-18.53	-0.12	20910.79	14582.11	0.97
Hong Kong	6544.53	-11.45	-0.12	16820.31	7009.13	4.19
Shanghai	5675.18	-10.95	-0.20	5554.55	3487.24	1.45

#### INTEREST RATES

Short sterling	UK 10 year gilt	US long bond
7.54	1.09	7.54
7.54	1.09	7.54
7.54	1.09	7.54
7.54	1.09	7.54
7.54	1.09	7.54
7.54	1.09	7.54
7.54	1.09	7.54
7.54	1.09	7.54
7.54	1.09	7.54
7.54	1.09	7.54

#### CURRENCIES

\$/£	DM/£	¥/£
1.62	1.62	1.62
1.62	1.62	1.62
1.62	1.62	1.62
1.62	1.62	1.62
1.62	1.62	1.62
1.62	1.62	1.62
1.62	1.62	1.62
1.62	1.62	1.62
1.62	1.62	1.62
1.62	1.62	1.62

#### TOURIST RATES

Australia (\$)	2.5213	Malta (lira)	0.6158
Austria (schillings)	19.61	Mexican (nuevo peso)	12.79
Belgium (francs)	57.86	Netherlands (guilders)	3.1436
Canada (\$)	2.3013	New Zealand (\$)	2.9204
Cyprus (pounds)	0.8197	Norway (krone)	11.86
Denmark (krone)	10.69	Portugal (escudos)	284.46
Finland (markka)	8.5443	Saudi Arabia (rials)	5.9329
France (francs)	6.3563	Singapore (\$)	2.5424
Germany (marks)	2.8014	Spain (pesetas)	236.63
Greece (drachma)	475.12	South Africa (rand)	8.0444
Hong Kong (\$)	12.23	Sweden (krone)	12.27
Ireland (pounds)	1.1088	Switzerland (francs)	2.3384
India (rupees)	61.56	Thailand (baht)	57.58
Israel (shekels)	5.4709	Turkey (lira)	3981.40
Italy (lira)	2.705	USA (\$)	1.5906
Japan (yen)	219.35		
Malaysia (ringgits)	5.8886		

Rates for indication purposes only  
Source: Thomas Cook

www.bloomberg.com/uk

source: Bloomberg

## THE INVESTMENT COLUMN

EDITED BY PETER THAL LARSEN

### Turbulent times at BAA

BAA has had something of an annus horribilis with a windfall tax, the strong pound and the Asian crisis. And to complete the misery, EU finance ministers have finally signed Duty Free's death sentence.

There have also been difficulties inside the once state-owned airport operator now born again as the group covering airports, retailing - and soon trains. The takeover of Duty Free International in the US has so far not delivered the goods. Meanwhile, BAA now admits the Heathrow Express rail service will not bring clear profits in the first year as hoped.

However, all this is a bit harsh on BAA. Even though the share price has reflected the turbulence, the fact is that Sir John Regan, the chief executive, has brought his corporate craft quite smoothly into land with pre-tax profits up 17.9 per cent to £480m.

Revenues rose from £1.373m to £1.679m in the 12 months to March while earnings per share rose 10.7 per cent to 35.3p, admittedly with the help of some exceptional items.

The bottom line results were on the better side of analysts' expectations. They were underpinned by stronger than anticipated UK passenger growth of 6.7 per cent which has led to next year's figure being upgraded to 6 per cent.

Last week's decision by EU finance ministers not to review the decision to end Duty Free next year was not unexpected, but it will blow an £80m hole in future profits. Sir Roger admits the "fight is over" to keep EU Duty Free, but the strategic battle to find other ways of enhancing income is in its infancy.

The acquisition of DFI must still prove itself. BAA says the Asian crisis hit it hard but the future still looks bright. The move into managing four additional international airports including Naples and Melbourne already looks sound.

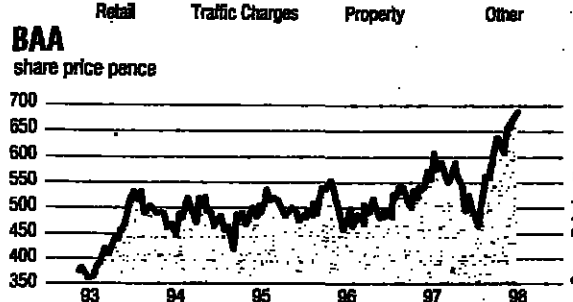
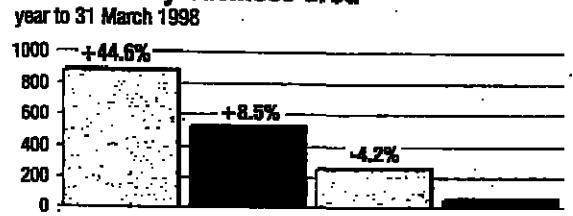
BAA has a decent under-

### BAA: At a glance

Market value: £6.96bn, share price 863p (-15p)

Trading record	1994	1995	1996	1997	1998
Turnover (£m)	1,097.8	1,159.0	1,253.0	1,373.0	1,679.0
Pre-tax profits (£m)	322.4	366.0	418.6	407.0	480.0
Earnings per share (p)	23.5	27.2	30.4	28.4	35.3
Dividends per share (p)	8.0	10.1	11.25	12.4	13.5

### Revenue - by business area



lying business but not one without risk. Analysts put the company's 1998 pre-tax profits at £500m, giving a forward multiple of 18.1. Investors already in there should hang on.

### Inn with the old crowd

ELDRIDGE Pope, the Dorchester-based pubs operator which sold its brewing interests last year and enfranchised its non-voting shares a couple of months ago, has won a few more friends in the City since it became a more modern and focused company.

The business is no longer family controlled and is now simply a pub group with a mix of 189 managed and tenanted pubs. The shares edged up 3p to 331.5p yesterday on half year profits which rose from £1.5m to £1.8m, even though analysts find the company's pub portfolio a safe but unexciting prospect.

True, the estate is being im-

proved. More than 20 underperforming pubs have been weeded out and the strategy is to re-invest the proceeds in high-yielding managed outlets. Like-for-like profits in the managed houses were up by 9 per cent.

But Eldridge Pope has come late to the themed bars business and its two modern formats, the Bar Excellence city centre bars and the Slurping Toads, which cater for younger drinkers, are not seen as leaders in the field against rivals such as All Bar One and Pitches & Pianos.

Perhaps more interesting are the 16 Fireside Inns pubs which are aimed at an older audience. With a higher degree of emphasis on food, the concept might have more mileage than bars aimed at hip young city dwellers.

Eldridge's spread of business may make it a safer haven for investment during a downturn. But if the boom in modern theme pubs continues, Eldridge Pope could be exposed. Assuming full year profits of £6.4m, the shares

trade on a forward rating of 15. About right.

### Kunick game for anything

LEISURE is a broad industry, and until recently Kunick has given the impression of wanting to be in every part of it. However, chief executive Russell Smith has now embraced the City mantra of focus and waxes lyrical about the merits of concentrating on amusement machines and managing health clubs.

The rhetoric has done Kunick's shares no end of good - in the past six months they have gained 45 per cent. The problem is that the company still has a raft of peripheral operations. Hence the market's lukewarm response to yesterday's news that the French care homes are up for sale, which accompanied interim results showing that pre-tax profits rose by 11 per cent to £4.5m in the six months to March.

Investors are also waiting for an exit from the disastrous Smilin' Sams entertainment centres, which lost £0.2m in the period, and the French non-food retail operation.

Mr Smith is reasonably optimistic about conducting a swift sale of the care homes, and analysts think they should fetch at least £16m - which would almost wipe out Kunick's debts. However, getting out of the other two businesses will prove more tricky.

That said, the two main businesses are doing well. A joint venture with Sega to supply amusement games that run over a network - rather than come as free-standing machines - should boost sales. And the leisure management division, where turnover was up a fifth, continues to forge ahead and will provide scope for bolt-on acquisitions. On Greig Middleton's full-year profit forecast of £11.6m, the shares, up 1p to 32p yesterday, are on a forward PE ratio of just 13. Given the scope for improvement, they are good value.

# More Heathrow rail links planned

By Terry Macalister

THE AIRPORTS operator BAA is considering plans to launch direct rail services to Heathrow from Manchester and Birmingham following the opening of a Paddington to Heathrow link next month.

The company is also understood to have been talking to potential operators of Eurostar about bringing a direct link to Heathrow from Paris and Brussels using the Channel tunnel.

Sir Roger Egan, chief executive, said preliminary work indicated "it would be profitable" to link the northern British city centres with London's biggest airport.

But a big increase in rail traffic could be dependent on infrastructure changes at Heathrow which might only be realised with the opening of Terminal 5, proposed for 2005.

The new operator of Eurostar should be known next

week when the Government finally makes its decision on who will use the Channel Tunnel link. BAA will bring in Tony Blair to launch the Heathrow Express on 23 June. The company admits the service, which is costing it £171m in capital expenditure this year, will make a bottom-line profit only in its fourth year.

But it should make an operating profit of £4m in the first year and be followed by a St Pancras Express which will be based at the London station of the same name.

The company shrugged off criticism of the prototype Fast-Train service from Paddington to Heathrow. The managing director of the Heathrow Express, Rod Hoare, said it had only been criticised by newspapers who loved to knock anything new.

The company said it was confident of reaching its passenger targets and wanted to grow its

railway services as a drive into non-government regulated areas.

BAA yesterday unveiled pre-tax profits for the year to 31 March of £480m, up 17.9 per cent. But the planned 1999 ending of duty free in Europe has triggered a search for more enduring lines of business.

Sir Roger admitted the lobbying to save duty free was "probably over" but he warned it passengers would stand to pay an extra £10 per seat as transport operators sought to protect their margins.

His own company stands to lose £80m a year in profits although this blow will be softened by a significant increase in landing charges on airlines.

BAA said it would increase its lobbying for the company to be released from its "bizarre" position of being answerable to two regulators, the Civil Aviation Authority and the Mergers and Monopolies Commission.

## 12,500 jobs could go at British Steel

BRITISH Steel could announce as many as 12,500 white-collar redundancies by March 2001, with about 4,000 of these set to go by September this year, according to the US investment house Salomon Smith Barney.

The group, which announces full-year 1997-98 results next month, has been silent on the extent of its downsizing programme since sterling's strength against the mark began to eat into profits and undermine prices.

While it has already identified some 2,000 job losses over an 18-month period, British Steel's chief executive, Sir Brian Moffat, has refused to discuss any further cuts involved in its strategy to reduce costs - including manpower reductions, better supply management and the upgrading of information technology.

Most analysts had pencilled in 10,000 job losses over five years as a result of the restructuring, but Terence Sinclair, of Salomon Smith Barney, reckons the total could be nearer 12,500. "The total cost savings here could be around £300m," he said in an investment note yesterday. He believes that 4,000 jobs could go by September.

British Steel refused to comment, but said the position on jobs and restructuring had not changed.

### PEP sales in April soar to a record £1.7bn

BRITISH net personal equity plan (PEP) sales set a new monthly record of £1.7bn in April.

Total gross unit trust and open-ended investment com-

pany sales also set a record of £5.3bn, overtaking the previous high of £4.3bn set the previous month.

The previous monthly record in PEP sales was £1.5bn

and was reached in March when savers moved to take advantage of favourable budget measures. The Association of Unit Trusts and Investment Funds said in a statement.

### PEOPLE & BUSINESS

#### CLIFFORD GERMAN



I HAVE bad news for the Investor Relations industry, the younger sister of Public Relations, and wealthier cousins of the media family.

Investor Relations has been prospering while its elder sister has taken much of the flak which goes with the job.

The first task of Investor Relations is to push the price of the companies' shares according to 67 per cent of companies polled in a survey by Hemmington Scott, the financial publishers.

The astonishing thing is that there are apparently other objectives recognised, including the establishment of a two-way flow of information between management and investors, keeping shareholders happy and promoting access to capital markets.

But Peter Scott, the chairman of Hemmington Scott, tells me that 84 per cent of the companies which responded to the survey felt their shares were undervalued at some point over the past year, and 35 per cent thought they were undervalued for at least six months of the

year. And this was at a time when the stock market has reached an all-time peak.

GOLD FIELDS, the company formed last year to absorb the gold mining interests of GFSA and Gencor, is dispensing with headhunters and going direct to the market-place for a successor to Brian Gilbertson, the executive chairman standing down later this year.

Neither Alan Wright, the deputy chairman of Gold Fields and coo of GFSA, nor Richard Robinson, the incumbent chief executive of Gold Fields, want to be considered.

The preferred candidate will have a high position in the mining industry but not necessarily in gold. The job is based in Johannesburg but the main aim of the chosen candidate will be to help expand Gold Fields mining interests outside South Africa.

VAUX the Sunderland-based brewers will be hoping that the supporters of the local football club will be drowning their sorrows after being pipped for promotion to the Premier League.

The £8m syphoned off the local club's market capital yesterday does not trigger a spending drought. Vaux is the club's official sponsor and its Lambton's beer logo adorns the players' strip.

WORLD CUP fever is already stalking City streets, or rather making the phone wires hum at Sporting Index, the City bookmakers who are taking bets on the sporting event.

Nothing so dull as who will actually win the cup of course, but spread bets on anything from the number of goals in the entire tournament (168 is the bookie's favourite) to the number of yellow (312) and red (40) cards, how many players will be stretched off the pitch (a rather frightening 121) and the number of times the ball will hit the bar (waggishly known as the Last Orders bet). ST's Wally Pyrah says

they expect to take £10m by the final whistle, twice as much as in Euro 96.

Spread betting, for the uninitiated, is the fastest-growing form of gambling since the National Lottery. It is based on the bookie predicting the most likely number and punters then betting which side of the mid point the actual result will be.

THE London Triathlon is hoping to attract up to 300 teams and more than 6,000 individuals to swim, cycle and run round London's Docklands on 20 September, and raise £1m for charity.

The Triathlon's director John Fullerton is hoping this year's event will be more than twice the size of the first triathlon last year which was started by Tony Banks, the Sports Minister.

The event is expected to attract world class performers hoping to qualify for eligibility for the Sydney Olympics in 2000, but team members will only be expected to perform in one of the three disciplines.

PRICE WATERHOUSE has added three more specialists to its business regeneration division set up a year ago to help lame dogs over stile. They include Gavin McLean, former managing director of Harcos the builders merchant subsidiary of Harrison & Crosfield which was successfully revived and sold off last year. Before that he was md of Caradon's bathrooms subsidiary and successfully turned it from loss to profit. Peter Lewis is a specialist in aeronautical engineering and technology and Eoin O'Neill is an operations specialist.

IF CONFIRMATION were needed that actress Helena Bonham-Carter is not just a pretty face, it comes with the news that her brother Edward Bonham-Carter is the new deputy chief investment officer at Jupiter, the successful unit trust management company whose net sales led the industry last year.

## Independent Newspapers

Meeting the challenge of the new millennium

### OPERATING HIGHLIGHTS

#### Ireland

- Ireland's largest newspaper publishing group.
- Operating profits are up 10%.
- Strong circulation in all national titles.
- Launched full colour Weekend magazine published in Saturday's Irish Independent.
- Subscriber growth increased by 12% in second largest cable and MDS television company (Irish Multichannel - 30% owned).

#### United Kingdom

- Wholly-owned operations achieved record growth in profitability.
- Purchase of remaining shares in Newspaper Publishing, London - publisher of 'The Independent' and the 'Independent on Sunday', subsequent to year end.
- Acquisition of Kentish Times Newspapers.
- Largest publisher of paid-for regional titles in greater London area.
- Leader in the London recruitment magazine market.

#### New Zealand

- Increased interest to 100% in Wilson & Horton, the country's largest newspaper publisher, subsequent to year end.
- Launched new section to New Zealand Herald including Business Herald, Viva and 7 Days.
- Investment in The Radio Network of New Zealand, the country's largest radio network, operating 51 radio stations, which commands some 55% of the radio advertising market.

#### South Africa

- Pre-tax profits grew 43%.
- Increased interest to 73%, subsequent to year end.
- Country's leading newspaper publisher with 31% of total newspaper market and 58% of the English language market.
- Publishes 14 daily and weekly newspapers.
- Kaya FM Radio commenced broadcasting (14.9% shareholding).

#### Australia

- Operating growth increased by 16%.
- Increased interest to 34% in Australian Provincial Newspapers.
- Largest regional newspaper publisher with 13 daily and more than 50 non-daily titles.
- Largest broadcaster in Australasia, operating 11 radio stations with 4.5 million weekly listeners (50% owned by APN).
- Australia's largest outdoor advertising operator.

#### France

- Operating profit up by 11%.
- Record second half performance.
- Continued development at Sirocco International, a 50/50 venture with Havas Media Communications, the largest media group in France.

#### Portugal

- Increased interest to 19% in Jornalgeste, the leading national newspaper and commercial radio group.
- Publishes titles representing 48% of national daily newspaper circulations and recorded strong advertising growth.

### FINANCIAL HIGHLIGHTS

	1997 IRLm	1998 IRLm	Change
Turnover	599	419	+ 43%
Operating Profit	106	67	+ 59%
Profit before Taxation	100	73	+ 36%
Earnings per Share	23.0p	16.5p	+ 39%
Dividends per Share	7.8p	6.9p	+ 13%
Shareholders' Funds	560	395	+ 42%



INDEPENDENT NEWSPAPERS, PLC

Full financial statements for the year ended 26 December 1997 will be delivered to the Registrar of the Companies and carry an unqualified Audit Report. Copies of the Report may be obtained from the Secretary, Independent Newspapers, PLC, 1-2 Upper Hatch Street, Dublin 2.



"The Group publishes in excess of 150 newspapers and magazine titles with weekly circulations of over 15 million copies in Europe, Africa and Australasia.

"1997 was a memorable year for the Group with the announcement of pre-tax profits exceeding the IR£100 million mark for the first time. Having started from its Irish base the Group has transformed itself into a global media company. The acquisition of Newspaper Publishing and its titles The Independent and Independent on Sunday propels your company into the top rank of international newspaper publishers.

"The Group has assets under management in excess of IR£1.7 billion, a market capitalisation of IR£1.1 billion, and a managed turnover, which this year will be annualised at IR£1 billion. The Company employs 13,500 people. This is a far cry from the period 25 years ago in 1972 when the market capitalisation of the Company was IR£4.5 million and the turnover all of IR£24 million.

"I remain convinced that our mixture of courage and caution, having stood our shareholders in good stead in the past 25 years, will continue to do so into the next century."

Dr. A.J.E. O'Reilly  
Chairman

### BTP to expand into drugs

BTP, Britain's fifth-biggest chemical company, said it will buy France's Hexachimie SAS, a unit of the Bristol-Myers Squibb Co, for \$87.5m in cash in a move to expand its sales to drug companies.

BTP, which makes base chemicals for Pfizer Inc's new impotence drug Viagra and other chemicals, said Hexachimie has "unique expertise" in making base, or "intermediate" chemicals for agrochemicals and pharmaceuticals. A third of Hexachimie's sales are to Bristol-Myers, a major drug company and the world's biggest maker of cancer drugs.

Hexachimie reported sales of \$42.7m in the year to Dec. 31, 1997, with operating profit of \$8.6m. Net assets were \$45.8m. Led by Chief Executive Steve Hannam, BTP has undergone a major drive into higher-margin sectors of the specialty chemical business in recent years.

BTP shares closed down 1p at 508p.

- Bloomberg

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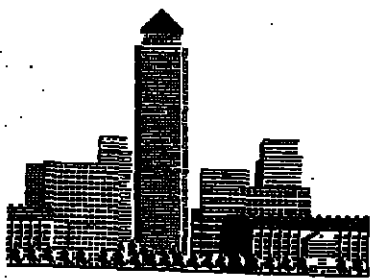
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## OUTLOOK ON BID DEVELOP- MENTS AT THE MIR- ROR. ROUGH JUSTICE AT IMRO AND AN UNEXPECTED TWIST IN THE MORE TAKEOVER BATTLE

# Mirror mirror on the wall who's the fairest bidder of all?

**ACHTUNG!** Surrender. For you Monty game is over. Well, perhaps not quite yet. But the chief executive of the Mirror Group knows the business is in play and, couldn't you just guess, it's the Germans who are favourites to take David Montgomery's ball away. Axel Springer's afternoon announcement on Friday that it was considering a bid has already brought one other would-be suitor out of the woodwork. We now know that Trinity, the country's biggest regional newspaper group, was holding exploratory merger talks with the Mirror until the Germans broke up the party.

The other usual suspects – the Barclay brothers and Mohamed Al Fayed – have yet to break cover. But this being an everyday story of newspaper folk it can surely only be a matter of time.

The inspiration for last week's spurt of stock market speculation linking the Mirror to some corporate action can only be guessed at. But it has had a pleasing effect on all those executive share options, while simultaneously raising the price that any eventual bidder will have to pay for the business.

That the Mirror and Mr Montgomery want to do a deal appears pretty much accepted all round. But what kind of story would a new owner be buying into? The group's flagship tabloid, the *Mirror*, has been losing the war of the "red tops" since the start of the decade. More recently, the share price has been heading in the same direction, underperforming the market by a third until Springer popped up. The foray into television has been fun but so far

fruitless and even with its most recent acquisition, Midland Independent Newspapers, the City is suspicious of what Mirror Group can do for an encore once the obligatory round of ruthless cost-cutting has worked through to the bottom line.

Springer's riposte is that it is a builder of businesses. Just look at what it has done for the circulation of *Bild*, one of the few tabloid newspapers anywhere in Europe that is putting on readers. But *Bild* already has an extraordinarily dominant franchise. In comparison with the cut-throat arena Springer would be entering in the UK, the German tabloid newspaper market looks like a teddy bears' picnic. What's more, in the absence of any obvious duplication or scope for savings in purchasing, there would be precious little scope for Springer to dress a deal up as a cost-cutting exercise itself.

All the while, the Mirror share price continues to run ahead. At 280p, a 40 per cent premium to its price before bid speculation began, the Mirror would cost £1.4bn – two-and-a-half times sales and a fancy 10 times earnings before tax, interest, depreciation and amortisation. Mr Montgomery is said to be looking for something nearer 300p – a price that Mirror Group shareholders have never even glimpsed during his six years at the helm.

Rational men can do odd things when the smell of newspaper gets into the nostrils. Gus Fischer, Springer's chief executive, should be oblivious to that since he has been in the newspaper business long enough, including a spell with News In-

ternational where he and Mr Montgomery got to know one another. But if the Germans are going to bid, they need to get their gameplan together quickly.

## Imro called to account

THE PRINCIPLE of senior management accountability is hard to argue with. But when the body to which you are accountable is Imro, it becomes a very harsh principle to apply. No one is arguing that those responsible for managing the affairs of Peter Young, the disgraced MGAM fund manager, should have escaped scot-free. It was right and proper for Imro, the watchdog responsible for investigating the affair, to insist that the buck stop at the top.

That said, the series of events leading up to the disciplining last week of four former MGAM directors leaves an unpleasant taste in the mouth.

The four, after a prolonged Imro investigation, were banned from the industry for periods ranging from 16 months to three years. They were also ordered to pay Imro's costs – running at more than £200,000 each. But prohibitively high legal costs effectively denied the four access to an independent tribunal. Those on the wrong end of the Baring affair discovered exactly the same problem.

Their suspensions from the industry are back-dated to December last year –

the date when Imro's enforcement committee first met to discuss their penalties – although the four have effectively been prohibited from working since they were dismissed from MGAM in October 1996. It also seems strange that Imro had reached a settlement with the firm itself before it had even got round to interviewing three of the four directors disciplined last week. Perhaps the most disturbing element of this whole saga is the lack of recourse the four appear to have had to a decent appeals process. An individual who is found to have breached Imro rules has two options. One, settle with Imro via a plea bargaining process. Or two, take the case to independent tribunal, typically a hideously expensive process beyond the pockets of most of us, even highly-paid City types. Not surprisingly, most people – including the four disciplined last week – decide to take the former route rather than risking a tribunal.

At least three of those disciplined last week now look likely to write to Imro's chairman, Douglas McDougall, and demand an independent inquiry. So Imro's McDougall now has two choices. One, try and brush this matter under the carpet, an approach which seems to have done Imro little good so far. Or two, take some of his own medicine, assume responsibility for the actions of his staff and take a long hard look at Imro's own chain of managerial responsibility. As the MGAM four will gladly tell him, the buck must stop somewhere.

## No thank you, Mr Decaux

PERHAPS it was just wishful thinking that we had seen the final salvoes in the tussle for control of More Group. Or perhaps we Anglo-Saxons simply take a more cautious view of these matters. Either way, few observers expected Decaux, More's French rival, to soldier after its bid for More was referred to the Monopolies and Mergers Commission last Thursday. Soldier on, however, is precisely what chief executive Jean-Francois Decaux is doing – egged on no doubt by his fee-hungry advisers. Mr Decaux is so convinced that the MMC will ignore last week's advice from the Office of Fair Trading and clear his bid that he is willing to devote a great deal of time, effort and money to find out.

Should More shareholders have the same patience? Decaux has offered 1,220p, which is 110p more than the final bid from Clear Channel, the US group. Given that investors will have to wait at least five months for the higher offer, however, it is worth only about 1160p in today's money. This means that Decaux is offering an extra 50p – or 6 per cent – to compensate for the risk that the MMC will block the deal. Given the strong arguments against Decaux's offer being allowed to proceed, the sum does not look tempting enough. Shareholders should accept Clear Channel's cash and be done with it.

## IN BRIEF

### ING Baring to face Japan's wrath

JAPAN'S Securities and Exchange Surveillance Commission yesterday urged the Ministry of Finance to punish ING Baring Securities (Japan) Ltd. and HSBC James Capel Japan Ltd. for violations of securities laws. ING Barings, the local unit of the Dutch financial services provider ING Group, carried out short-selling transactions in violation of securities law, the SESC said. The company said it alerted the SESC to the problems itself and has since corrected them. No clients were "adversely affected," said the ING spokesman Peter Krijgsman in London. ING Barings was warned because its traders failed to indicate on sell orders that they were selling shares they didn't own, as they are required to do by Japan's Securities & Exchange Law. HSBC James Capel, an affiliate of the U.K.'s HSBC Holdings, used stock purchased through its own account to fill customers' orders and submitted false reports on trades, the SESC said. "We're looking into the technical breaches on the Tokyo Stock Exchange," said Sir William Purves, chairman of HSBC Holdings.

### Pentair abandons Vero

THE battle for control of electronic equipment firm Vero Group appeared to draw to a close yesterday after Pentair, one of the two US bidders, announced that it would not proceed with its offer. Pentair indicated earlier this month that it would not raise its 170p-a-share bid after Vero recommended a £115.5m, or 192p a share, rival offer from Applied Power (APW). The takeover battle began with an initial 157p a share bid from APW in April.

### Electrifying profits

POWERHOUSE, the electrical retailer that was acquired by its management from Hanson two years ago, has reported a sharp rise in profits boosted by strong sales of wide-screen televisions. Pre-tax profits rose from £4.8m to £7.2m in the year to March helped also by better buying prices because of the strong pound. Powerhouse opened eight new superstores during the year taking its total to 39. It also has 79 high street outlets.

### HSBC: No takeovers

THE chairman of HSBC has said the bank has "no shopping list" of takeover targets. Speaking at an informal shareholders meeting in Hong Kong, Sir William Purves said the group, which owns the UK's Midland Bank, was "already very large." "I think that my successor's aim will be to do better what we already try to do rather than to leap into the unknown with a major merger," he said. Sir William, who will step down as group chairman after Friday's annual general meeting, said he expected bad debt write-offs to be much less than the £175m set aside in 1997 for special provisions related to the Asian crisis. "Up to this point in time, we have not utilised any part of the special provisions," Sir William said.

## Battle rages for the soul of Lloyd's

# Names attack market chiefs

By Andrew Verity

LLOYD'S of London Names launched an unprecedented public attack on the market's executives yesterday, accusing them of pandering to black propaganda designed to force Names out of the market.

The Association of Lloyd's Members, which represents more than 5,000 Names, denounced what it called "the increasingly aggressive campaign to remove the trading rights of Names and other members of Lloyd's in favour of permanent corporate capital".

Sir David Berriman, chairman of the ALM, said: "There is a battle going on here for the soul of Lloyd's. The meetings I have had with the Lloyd's chairman [Max Taylor] do not put my mind at rest."

The Names said the future of Lloyd's had once again been thrown into doubt because the chief executive of Lloyd's, Ron Sandler, was thinking of abandoning the means by which they invest in Lloyd's. They said his plans amounted to "a frontal attack" on the policies of Lloyd's Council, the body which governs the market.

Mr Sandler angered Names last month when he made a

speech casting doubt over the future of the annual venture, the centuries-old system by which Names adjust their exposure to the market every year.

Because syndicates never know if their Names will stick with them, they have to re-capitalise every year with a fresh list of financial backers. Mr Sandler claimed this brought in costs which made Lloyd's uncompetitive, reducing returns by approximately 2 per cent a year. It could also stop syndicates from underwriting long-term risks, he said.

But the Names said that Mr Sandler was falling prey to "some elements in Lloyd's" who wanted Names removed altogether. They said managing agents at Lloyd's found the annual venture cumbersome, preferring the permanent backing that came from corporate capital.

"I am filled with horror at the future prospect of a bourse of mini-insurance companies trading under the Lloyd's umbrella with limited liability... Names' trust and confidence has been undermined and must be quickly restored," Sir David said.

The ALM said Mr San-

dler's remarks had reduced the value of their trading rights because they fuelled speculation that these rights would soon be worth little. They said the Treasury supported this criticism.

The Names also said they could lose hundreds of millions of pounds in lost tax breaks if they were forced out, because Lloyd's liabilities could not be set against non-Lloyd's assets.

Mr Sandler is accused by the Names of neglecting his collective responsibility as a member of Lloyd's Council. The council's current policy is to keep the annual venture and safeguard Names' trading rights.

Michael Deeny, a director of the ALM, said: "Mr Sandler is in a difficult position because he has a responsibility to safeguard the interests of any oppressed minority. That is exactly what we are beginning to feel like."

Since Lloyd's began its reconstruction and renewal programme in 1996, corporate members have become its main source of capital, providing 60 per cent of the market's underwriting capacity. Whereas in 1990 there were 30,000 Names, now there are just 7,000.



Finance director, David Morrison and chief executive Stuart Ross toast 20 per cent rise in profits Peter Devlin

## Belhaven profits soar

BELHAVEN Brewery, the Scottish pubs and brewing group which returned to the stock market two years ago, was boasting success yesterday with a 20 per cent rise in full year pre-tax profits to £5m. Profits improved at both the pubs and drinks divisions. Average weekly sales in Belhaven's managed pubs rose by 10 per cent to £6,100. In brewing parlance, volume rose by 6.4 per cent in a market down 2 per cent. Margins also rose significantly. The company said trading since the year end was "slightly ahead of expectations."

## Woolwich sets up as property dealer

By Andrew Verity

WOOLWICH yesterday revealed that it is taking the unprecedented step of buying houses on its own behalf from mortgage customers in an attempt to win customers who are afraid of getting entangled in a house-buying chain.

In an unheard-of move, the bank yesterday revealed it has begun buying and selling its own stock of houses, setting itself up as a dealer in houses rather than acting as an agent between buyer and seller.

Until now, lenders have only owned houses following repossession. If copied by other lenders and estate agents, the move could transform the housing market for customers who fear being gazzumped or let down by the housing chain.

Under the pilot scheme, HomeSmart, a division of the Woolwich, will value a property within two days of a request and commit itself to an offer if the property is suitable. It will then undertake repairs and sell it on to customers who want to buy without relying on a chain.

The drawback for customers is that they are likely to get a lower price if they are selling to HomeSmart than they might get on the open market, because Woolwich has to recoup the cost of purchase and repair.

## Clinton celebrates \$39bn budget surplus

By Andrew Marshall  
in Washington

THE US is to move back into massive budget surplus over the next 10 years, after three decades of equally large deficits.

Forecasts released yesterday by the White House show a \$39bn surplus this fiscal year, slightly smaller than previously thought but still the largest surplus as a share of GDP in 40 years.

But after that the surplus will explode, to \$54bn in 1999, reaching \$342bn in 2008. Rising growth has delivered a benign mixture of higher tax

revenues and lower payments for unemployment benefit, and spending has been trimmed in the wake of the Cold War.

A debate is raging in Washington about how, and whether, to spend the money, given the equally large problems in the funding of social security.

"Now it's official... America has balanced the budget," President Clinton said yesterday. He said a tax cut was one possibility. Presidential elections are to be held in 2000, and some form of tax cut would help the economy to continue on its path of low-inflation growth while boosting the chances of the Democrats.

## OECD updates view on Japan

By Diane Coyle  
Economics Editor

IN A RARE note of optimism about Japan's economic prospects, the Organisation for Economic Co-operation and Development (OECD) said yesterday that the latest tax and spending package might be enough to keep the economy from recession this year.

Only last month the organisation, a club for the world's 29 richest economies, downgraded its forecast for growth in Japan. It predicted a 0.3 per cent drop in GDP this year.

Yesterday, however, an update to take account of the government's stimulus package

concluded that the measures could boost growth this year to zero. "If their implementation is rapid, the package may stabilise activity in calendar year 1998 and under favourable circumstances lead to real GDP growth of some 1.5 to 2 per cent over the fiscal year that has just begun," it said.

Vincenzo Visco, the OECD's chief economist, added: "Japan needs to implement the plan faster than it has in the past." The slightly more upbeat forecast did not prevent the yen from slipping further against the dollar on the foreign exchanges. The currency approached the ¥138 level, having dropped sharply on Monday after a report that the US was prepared to see a weaker yen.

The only comment yesterday from Robert Rubin, US Treasury Secretary, was that exchange rate policy remained "absolutely unchanged". The yen's renewed weakness – which helped push sterling higher yesterday – was also down to purchases of dollars by new investment funds set up in the wake of last month's "big bang" deregulation of the financial sector, analysts said.

that the structural momentum of reform be maintained.

The new head of Japan's Keidanren made the same point as he took over the reins of the influential employers' organisation yesterday. "You cannot expect a fully-fledged recovery from stimulative steps alone," said Takashi Imai, chairman of Nippon Steel. He called for further financial and tax reforms.

Brownyn Curtis, chief economist at Nomura in London, said the tax and spending package announced last month could have a significant impact on growth later this year but was not enough by itself to ensure a lasting recovery.

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
BAA (P)	1.88bn (1.37bn)	480.0m (407.0m)	26.4p (22.3p)	13.65p (11.3p)
Belhaven Brewery (P)	38.3m (33.3m)	5.02m (3.822m)	18.1p (14.4p)	8.2p (6.8p)
City of London PFI (P)	2.68m (2.45m)	0.951m (1.018m)	9.27p (8.43p)	6.16p (5.50p)
Coltair Republic (P)	1.10m (0.374m)	-0.748m (0.47m)	-1.91p (0.15p)	-
Edinburgh Paper (P)	31.8m (28.8m)	1.78m (1.52m)	6.2p (5.6p)	2.3p (2.12p)
F&L Milk (P)	27.1m (20.2m)	9.28m (8.04m)	16.40p (17.7p)	2.9p (4.40p)
Konkuk (P)	77.1m (70.2m)	4.818m (4.320m)	0.88p (0.85p)	0.425p (0.25p)
McLellan Russell (P)	58.88m (55.90m)	4.52m (4.22m)	5.54p (5.08p)	3.10p (3.00p)
Network Technology (P)	10.42m (8.54m)	2.27m (1.81m)	4.33p (4.04p)	0.55p (0.5p)
Transit (P)	10.45m (10.24m)	0.774m (0.657m)	5.8p (5.1p)	2.0p (1.8p)
Whitely Chase (P)	13.81m (10.24m)	0.944m (0.882m)	51.0p (15.7p)	5.3p (5.0p)
Unilever (P)	870.94m (88.78m)	3.70m (3.02m)	12.8p (10.7p)	4.9p (4.9p)
Willingborough Group (P)	38.15m (31.58m)	5.72m (4.17m)	6.58p (5.88p)	1.44p (1.2p)

(P) - Profit, (L) - Loss, (N) - Not available. \*EPS is pre-exceptional. \*Dividend to be paid as a P.D.

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Foreign Exchange Rates

Country	Spot	1 month	3 month	Dollar	Spot	1 month	3 month	D-Mark
UK	10000	28001	28043	0.698	0.698	0.698	0.698	0.698
Australia	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Austria	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Belgium	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Canada	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Denmark	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
France	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Germany	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Greece	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Hong Kong	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
India	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Indonesia	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Japan	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Malaysia	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Netherlands	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
New Zealand	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Norway	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Portugal	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Spain	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Sweden	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
Switzerland	28037	28037	28037	0.698	0.698	0.698	0.698	0.698
US	28037	28037	28037	0.698	0.698	0.698	0.698	0.698

Country	Spot	1 month	3 month	Dollar	Spot	1 month	3 month	D-Mark
Argentina	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Australia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Canada	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
France	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Germany	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Greece	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Hong Kong	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
India	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Indonesia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Japan	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Malaysia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Netherlands	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
New Zealand	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Norway	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Portugal	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Spain	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Sweden	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Switzerland	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
US	10000	10000	10000	0.698	0.698	0.698	0.698	0.698

Other Spot Rates

Country	Spot	1 month	3 month	Dollar	Spot	1 month	3 month	D-Mark
Argentina	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Australia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Canada	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
France	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Germany	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Greece	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Hong Kong	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
India	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Indonesia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Japan	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Malaysia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Netherlands	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
New Zealand	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Norway	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Portugal	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Spain	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Sweden	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Switzerland	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
US	10000	10000	10000	0.698	0.698	0.698	0.698	0.698

Country	Spot	1 month	3 month	Dollar	Spot	1 month	3 month	D-Mark
Argentina	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Australia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Canada	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
France	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Germany	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Greece	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Hong Kong	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
India	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Indonesia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Japan	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Malaysia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Netherlands	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
New Zealand	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Norway	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Portugal	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Spain	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Sweden	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Switzerland	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
US	10000	10000	10000	0.698	0.698	0.698	0.698	0.698

Interest Rates

Country	Spot	1 month	3 month	Dollar	Spot	1 month	3 month	D-Mark
Argentina	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Australia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Canada	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
France	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Germany	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Greece	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Hong Kong	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
India	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Indonesia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Japan	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Malaysia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Netherlands	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
New Zealand	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Norway	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Portugal	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Spain	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Sweden	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Switzerland	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
US	10000	10000	10000	0.698	0.698	0.698	0.698	0.698

Country	Spot	1 month	3 month	Dollar	Spot	1 month	3 month	D-Mark
Argentina	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Australia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Canada	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
France	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Germany	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Greece	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Hong Kong	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
India	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Indonesia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Japan	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Malaysia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Netherlands	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
New Zealand	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Norway	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Portugal	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Spain	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Sweden	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Switzerland	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
US	10000	10000	10000	0.698	0.698	0.698	0.698	0.698

Bond Yields

Country	Spot	1 month	3 month	Dollar	Spot	1 month	3 month	D-Mark
Argentina	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Australia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Canada	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
France	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Germany	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Greece	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Hong Kong	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
India	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Indonesia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Japan	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Malaysia	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Netherlands	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
New Zealand	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Norway	10000	10000	10000	0.698	0.698	0.698	0.698	0.698
Portugal	10000							



YESTERDAY the Emperor and Empress of Japan began their four-day state visit to Britain. In theory, this is just a state visit like any other; in practice it is a hornet's nest of problems.

Former prisoners of war who turned their backs and whistled *Colonel Bogey* as the imperial motorcade proceeded down the Mall drew attention to the unresolved issue of an official Japanese apology for the war and for the suffering of the POWs, some of whom are demanding reparations of £14,000 each.

In fact, the Emperor has gone as far to apologise as the Japanese constitution will allow him, and it has been made clear that he will not go further during this visit. He has on various occasions commented that "I feel deep sorrow [about the war]" and last week, at a press conference in Japan, said that he "would like to understand the suffering of the people [the POWs]" - tantamount to an apology in Japanese terms.

But it is not his job to make known his personal views. Like the Queen, he is supposed to be above politics; and the concept of "politics" in Japan encompasses far more than it does in Britain. What the PoWs really want is not the Emperor's personal apology but an official apology from the Japanese people, as embodied in the person of the Emperor. The complexities of Japanese politics are such that it is extremely unlikely that to happen.

Britain and Japan are very similar in an extraordinary number of ways. Both are small island nations with a weight of tradition, a long history and a monarchy which is supposed to embody the state. Both now are engaged in debate on what exactly the role of that monarchy should be. How is it possible to retain the necessary grandeur and mystery to give the monarchy a meaning and also ensure enough accessibility to make it "relevant"?

In Britain in recent years the monarchy has gone through an unprecedented crisis. Fifty years ago, when Edward VIII abdicated, the media maintained a respectful distance, withholding the news of the King's affair with Mrs Simpson until it could no longer be concealed. The Japanese media behaves in a similar way today. But in Britain the efforts

# The heavy load of history

Emperor Akihito, on a state visit to Britain, faces many of the same challenges as his royal hosts, writes Lesley Downer



Emperor Akihito, with Empress Michiko (left), is following his father, Hirohito, seen inspecting Grenadier Guards during his 1921 visit



Photographs: Hulton-Getty (right) and FSP

of the royal family to make themselves interesting and accessible have turned their lives into a soap opera played out on the public stage. Criticism of the Queen's finances have meant that she now pays taxes, though in fact up until Victorian times the monarch did contribute to the public purse. There has been considerable debate about whether we need a monarchy at all, although this has quietened with the death of Princess Diana, not so much out of reverence as the realisation that the monarchy and all the pomp associated with it is a crucial tourism asset.

Like the Queen, Emperor Akihito is a constitutional monarch. In fact, according to the post-war Japanese constitution dictated by the American occupiers, he has even less power than the Queen. But look into the background a lit-

tle, and the situation becomes more complicated.

Akihito was 11 when the Second World War ended. It is said that his father, Emperor Hirohito, wept when he broke the news to his son that, to quote the immortal words he used to the Japanese public, "the war situation has developed not necessarily to our advantage". Under the benevolent dictatorship of the American occupying forces, Akihito studied under an American tutor, went to a normal school (normal-ish - the Japanese equivalent of Eton) and visited Britain for the Queen's coronation. He was the first Japanese Emperor to be considered a mere human being; his father had begun life as a living god, the direct descendant of the Sun Goddess, and only renounced his divinity after the war.

It was the culmination of all this when he met and fell in love with a commoner - Michiko Shoda, the daughter of a flour-mill tycoon, whom he met on a tennis court. Previous Emperors had always married into the aristocracy. Akihito's love story was the fairy-tale romance of his day, his wedding every bit as splendid and celebrated as Charles and Diana's. Far from being sequestered within the palace, his two sons were sent abroad to study, at Merton College, Oxford.

When Hirohito died in 1989 at the age of 87, the whole of Japan closed down. People queued to sign their names in the books of condolence at the imperial palace, but for many modern Japanese youth, it was an excuse for a few days off - a sign of the ambivalence with which the Japanese regarded the imperial family. Everyone

hoped and anticipated that with the accession of the new emperor, the past would be left behind. Akihito had not been tainted by the war; he was not a so-called living god but a modern man, a new monarch for a new Japan.

In the past, the emperors remained very much out of sight within the imperial palace. Akihito still has nothing like the workload of the Queen, who carries out an exhausting round of foreign tours, protocol and ceremony; but he is far more of a modern monarch than his predecessors ever were. Together with Empress Michiko, he receives ambassadors, goes on foreign visits and tours disaster areas. He went down on his knees to comfort the victims of the Kobe earthquake, something Hirohito would never have dreamt of doing.

The imperial couple were

present at the recent Winter Olympics in Nagano, where it was noted that the Empress joined in a Mexican wave, swaying along with the crowd. Akihito has even been known to touch his subjects - he recently massaged the shoulders of an elderly man, an act so extraordinary that it was widely reported. From a British point of view it is all familiar, reminiscent of Prince Charles's meeting with the Spice Girls and other royal efforts to fraternise with the hoi polloi. But from a Japanese perspective, it is quite extraordinary.

Modern man or not, when the Emperor was crowned he went through the *daijosei* ceremony in which he communes with the Sun Goddess and walks "between heaven and earth", thus, as far as traditionalists are concerned, becoming a semi-divine being. A

large part of his job as Emperor is to worship and perform rites at various shrines within the palace grounds. The aim of all this pomp is to reinforce the authority of the imperial system by stressing its roots in the distant mythological past. Yet strangely enough, as with the ritual which surrounds the British monarchy, most of it was invented as recently as the last century.

When Algernon Mitford (ancestor of Nancy and Jessica) encountered the Emperor Meiji around 1855, he saw a youth wearing flowing robes with eyebrows shaved and painted in on his forehead, rouged cheeks, lips painted red and gold and blackened teeth. Ten years later, Meiji was a constitutional monarch on the Western model, with a military uniform and a smart moustache. Up until then many

Japanese had barely known that the emperor existed. He was a kind of shaman, sequestered in the imperial palace in Kyoto, whose job was to conduct rituals to appease the gods and to give credibility to the shogun or whoever really exercised power at the time.

In 1868, when (with British help) some samurai overthrew the shogunate and set about modernising Japan, they in turn needed the emperor to give them legitimacy. He moved to Tokyo, shrines were built, rites and rituals invented, and the whole paraphernalia of state Shinto was put in place, asserting his descent from the Sun Goddess through an unbroken line. In reality, he had no more power than before.

Japan's 19th-century leaders even made a trip to the West to see how European monarchs did things, noting, for example, that "the marriage ceremonies of the royal houses and families are usually religious" (to quote *A Survey of the English Monarchy's Practices*, published in 1900). Similarly, many of Britain's traditions, such as the Christmas tree, were imported by Prince Albert from Germany.

Little by little, the role of the Emperor has changed and developed. In 1921 Hirohito came to Britain, where he played golf with the future Edward VIII, the first Emperor ever to travel abroad. He travelled incognito on the Paris metro and always treasured the ticket he bought; it was the only period of freedom he ever enjoyed, and he always said his time abroad was the happiest of his life. Until he announced on the radio that Japan had been defeated, Japanese people had never heard his voice.

Akihito has gone a long way towards creating a modern monarchy in Japan - so much so that the usually deferential Japanese press has even been known to print irreverent articles (though usually they reserve their scurrilousness for the antics of the British royals). No doubt when he meets the Queen, the two will have plenty of ideas to exchange on the role which the ancient institution of monarchy has to play in the modern age.

Lesley Downer is a writer and journalist who has published nine books and presented a television series on Japan.

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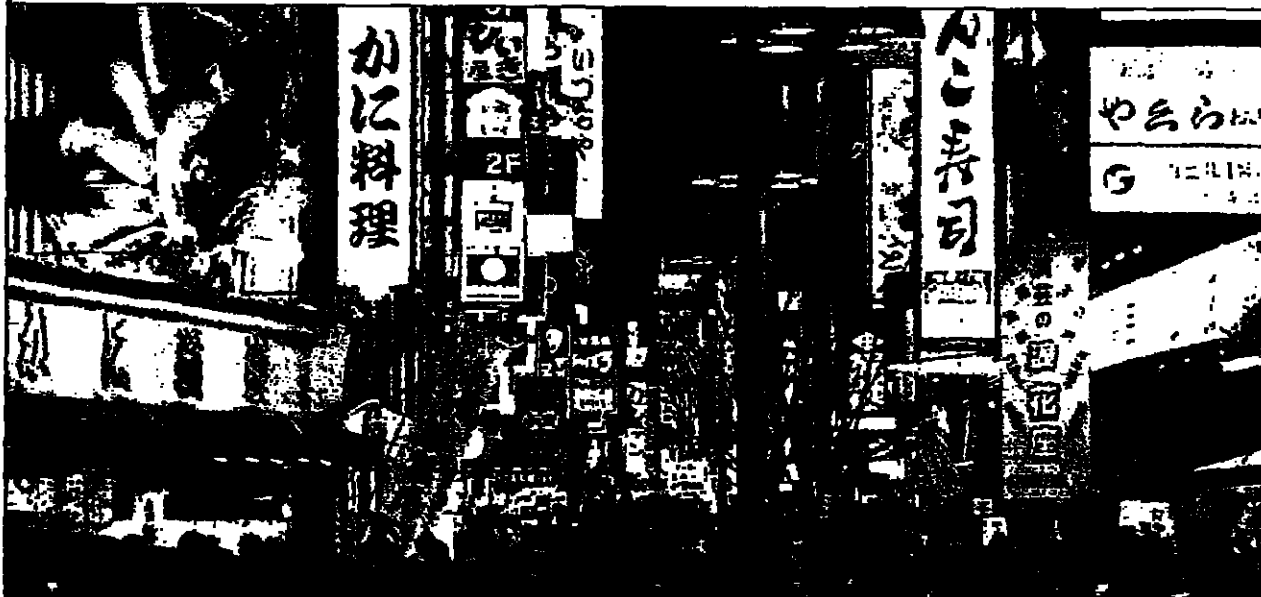
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هكذا من الأصل



# Time to indulge the yen to travel

THURSDAY 14 May was a starting day, at least among seasoned travellers between Britain and Japan. British Airways announced a World Offer fare of just £299 on its non-stop 747s from Heathrow to Tokyo and Osaka, slicing around £1,000 from the normal economy fare. Combined with sterling at a six-year high against the yen, this is the best summer yet for British visitors to Japan.

The BA move is intended as a temporary response to fill empty seats, but the vast amount of capacity between the UK and Japan is likely to keep fares low. Between them, BA, All Nippon Airways, Japan Airlines and Virgin Atlantic offer 36 wide-bodied flights each week from Heathrow to Tokyo and back; 16 Boeing 747s between Heathrow and Osaka; and a further five non-stops to and from Nagoya. In addition, dozens of airlines, from Aeroflot to Thai, offer one-stop connections between Britain and Japan. On such a long haul, the "express" route across Siberia plied by the non-stop airlines is the ideal way to travel, but the connecting possibilities help to keep fares down.

For a couple of decades, the number of Japanese visitors to Britain has eclipsed the tourist traffic in the opposite direction. Now, though, the tide has begun to turn. One reason is the economic downturn in Japan; another is a quirk in international aviation. For the past three years, All Nippon and JAL have been offering excellent fares between Britain and Australasia. Besides being the most direct route from London to Sydney, the arrangement allows an optional stopover in Japan. So thousands of travellers have enjoyed a glimpse of one of the most intriguing nations on earth.

And once you have visited Japan, it is difficult to resist the chance to return. For world-weary travellers, Japan provides blessed relief: a scrupulously clean, safe, efficient destination which is endowed with all manner of attractions. Furthermore, it offers one of the best travel deals anywhere in the world: the Japan Rail Pass. One week's access to the network of *shinkansen* (bullet) trains and a dense web of local services costs just £130, and will whisk you across most of the length and breadth of the archipelago. High velocity means you can maximise your visit with minimum effort. From Sapporo on the northern island of Hokkaido to Nagasaki on Kyushu, the south-western island, I have watched town and country whizz past at speeds approaching 200mph.

A strong pound means Japan has never been better value, says Simon Calder



Ben Nevis: ruggedly Scottish Photograph: Alex Gillespie

The first-time visitor, though, should concentrate on the great cities. Tokyo is a mesmerising agglomeration of dozens of distinct districts in which to immerse yourself. Two personal highlights, reflecting commerce ancient and modern: the fish market at dawn, when an electrifyingly theatrical chorus of auctions takes place; and the futuristic Sony centre, where the technology that will take us through the 21st century is shown in an anonymous 1960s office block.

The other safe bet for a short break is the Kansai region, encompassing Kyoto, Osaka and Kobe, plus much more. If you base yourself among the shimmering serene temples of Kyoto, the railways will take you easily to the rest of the region. For me, the most heroic sight is the way that Kobe is growing after the devastating

earthquake - not so much rebuilt as re-invented in an even more majestic manner. Glinting offshore, on reclaimed land in Osaka Bay, is the elegant Kansai International Airport.

Man does not have the upper hand in all of Japan, but the mountainous terrain that makes up much of the country is relatively accessible - up to and including magnificent Mount Fuji, the perfect volcanic cone so important to the Japanese soul.

Yes, but what about the cost? When I visited the almost-tropical island of Okinawa in 1995, sterling was miserably low against the yen - much closer to 100 than the present rate of around 200. Yet, even then, it was entirely possible to find good, cheap accommodation in a traditional *ryokan* - all paper walls and tatami mats, with an invariably hospitable propri-

etor. Japan has always represented excellent value; it is now looking positively inexpensive.

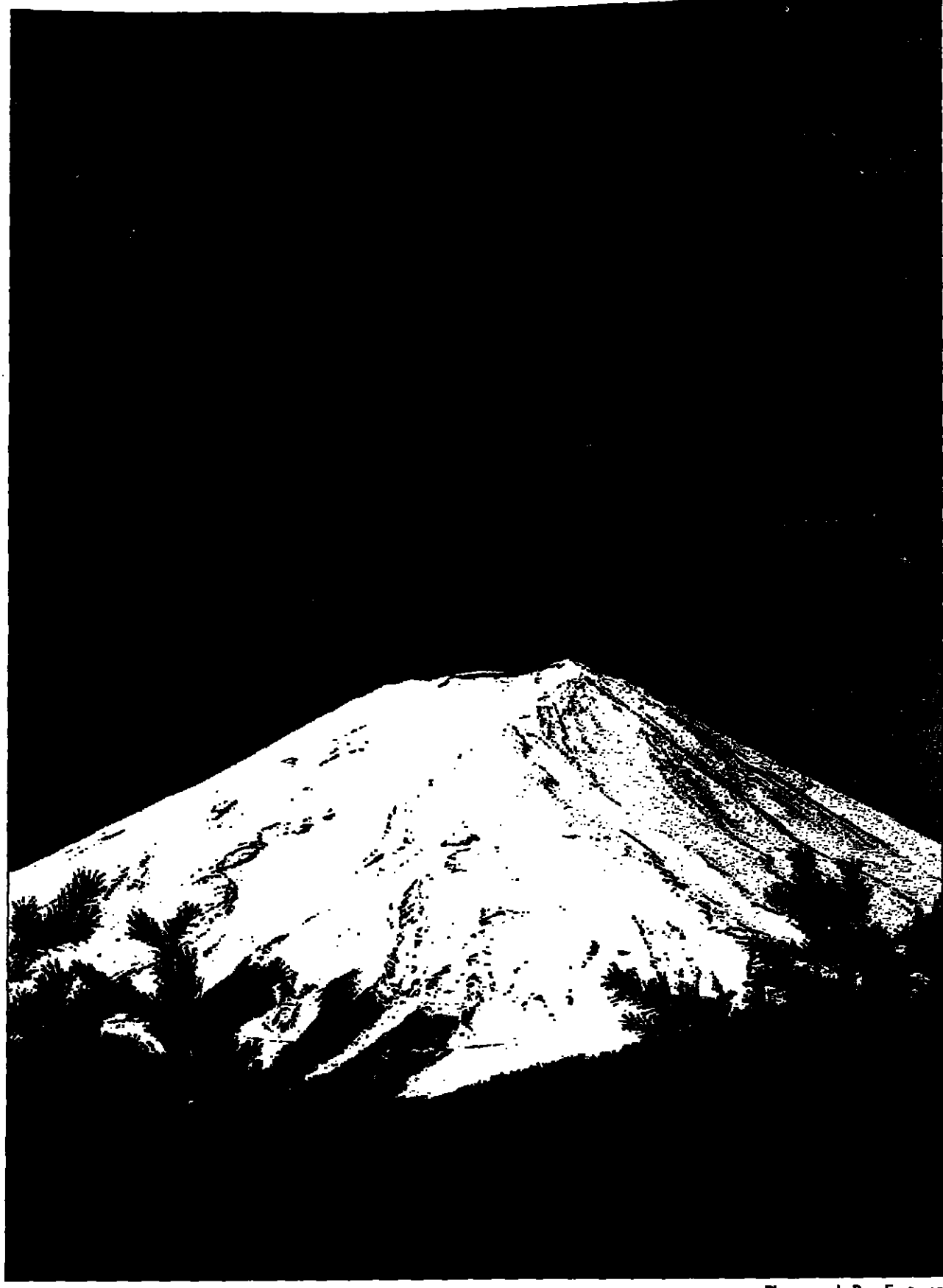
The substantial swing in exchange rates means it is now Japanese visitors to Britain who are having to economise. Fortunately, the established infrastructure for incoming tourists is adept at providing good value. The best way to maximise spending money is to explore Britain beyond the usual tourism circuit of London, Bath, Stratford, York and Edinburgh - all fine places, but the demand for accommodation in summer can force prices up. For a clearer view of Britain, once again the train is the best way to travel. Competition on the newly privatised railways means there are some excellent bargains. On the closest Britain has to a bullet train, the 400-mile East Coast line from Edinburgh to London, you can travel anywhere for just £12, so long as you begin after 8pm.

If I were to design a two-week itinerary for a Japanese visitor, it would inevitably begin and end in London. The tourist who takes a more rounded view of the capital than just the central core will be enriched by the distinctiveness of Brighton and Camden, Chiswick and Docklands.

Next, use Bath as a springboard for south-west England or Wales, whose landscapes get more dramatic the deeper you go. Stratford is a mandatory stop, but few visitors couple the Shakespeare trail with a visit to the town's fine racecourse; there are few more pleasurable activities than losing a few modest wagers on a summer's evening just outside Stratford. Across in East Anglia, Norwich remains one of Britain's finest cities, and is comfortably off the main tourist trail.

Going north, Birmingham, Leeds and Manchester demand attention, as does the singular city of Liverpool. And as next year's City of Architecture and Design, Glasgow is challenging the cultural credentials of Edinburgh more strongly than ever.

The tallest mountain in Scotland, Ben Nevis, struggles to top 4,000ft; puny by Japanese standards, but in the hauntingly beautiful context of the Highlands it is the perfect scale. New ferry links mean that from Scotland you can easily reach the corner of the United Kingdom most neglected by the English, Welsh and Scots: Northern Ireland, where much of the natural beauty remains unscarred by progress or strife. Simon Calder is Travel Editor of The Independent



Mount Fuji: quintessentially Japanese Photograph: Rex Features



Camden Market: one of London's main attractions for younger Japanese visitors Photograph: Edward Sykes

## Further information

Key contacts for people travelling from Britain to Japan

All Nippon Airways: 0171-355 1155  
British Airways: 0345 222111  
Japan Airlines: 0345 747700  
Virgin Atlantic: 0293 747747

Specialist tour operators selling the Japan Rail Pass  
Jaltours: 0171-495 1775  
Nippon Travel: 0171-437 2424  
Japan Travel Centre: 0171-287 1388

Japanese Embassy, 101-104 Piccadilly, London W1V 9FN (0171-465 6500).

Japan National Tourism Organisation, 5th Floor, Heathcoat House, 20 Savile Row, London W1X 1AE (0171-734 9638).

Japanese Chamber of Commerce, 2nd Floor, Salisbury House, 29 Finsbury Circus, London EC2M 5QQ (0171-628 0089).

To call numbers in Japan from the UK, dial 00 81 followed by the subscriber's number without the initial zero.

Key contacts for people travelling from Japan to Britain

All Nippon Airways: 03 5489 1212  
British Airways: 03 3593 8811  
Japan Airlines: 03 5460 0511  
Virgin Atlantic: 03 3499 8811

British Embassy, 1 Ichibancho, Chiyoda-ku, Tokyo 102 (03 5211 1100)

British Tourist Authority, Alaskan Twin Tower 1F, 2-17-22 Alaskan, Minato-ku, Tokyo 107 (03 5562 2543)

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A Japanese print of the British Legation when it was in Yokohama during the 1860s. There was also a British garrison there at the same time

## In 400 years, we have had our ups and downs

THE state visit to London by the Japanese Emperor and Empress comes almost 400 years after the first Englishman arrived in Japan. During these four centuries, relations between Britain and Japan have had their ups and downs, but they are now close and cordial, despite the lingering resentment of former British prisoners of war and civilian internees over their ill-treatment in the Far East during the last war. We now need to look forward to the further cementing of friendly relations in the economic, political and cultural fields.

William Adams, the first Englishman to reach Japan, was the pilot on a Dutch ship which foundered off the southern island of Kyushu in 1600. Adams became an adviser to the Shogun, Tokugawa Ieyasu, and supervised the building of ships on Western models. When the British East India Company established a trading post at Hirado, an island off Kyushu, in 1613, Adams acted as an intermediary for the British traders, but they thought he had "gone native" and were disinclined to listen to his advice. Adams died in 1620 and the British trading post was shut down in 1623. It had made the elementary mistake of not studying the market properly.

Japan adopted a policy of seclusion for over two centuries. From the early part of the 17th century to the middle of the 19th century, during these years only desultory attempts were made to establish contacts with the Japanese, and the initiative in forcing the re-opening of Japan in the 1850s was left to the Americans. But the British soon took the lead in developing trade with Japan through the treaty ports which were opened as a result of the treaties concluded in 1858.

In the early years of the treaty port system, life for the

foreign merchants was difficult and dangerous. There was much anti-foreign feeling. British warships were involved in attacks on Japanese ports in defence of British interests in the civil war of 1868, which led to the overthrow of the Tokugawa Shogunate and the so-called Meiji restoration, when nominal power was returned to the Mikado, who was given the Western title of Emperor.

The British were led by the domineering Sir Harry Parkes. Although nominally neutral, the British Legation, through Ernest Satow, Parkes's able Japanese expert, supported the clans seeking to overthrow the Tokugawa regime. This ensured that the new regime looked first to Britain for advice and help. In the next two decades almost half the foreign advisers employed by the Japanese government in engineering, teaching and other professions came from Britain. Richard Brunton established the Japanese lighthouse service and Henry Dyer was the first head of the engineering college which was later incorporated in the University of Tokyo. The first railway in Japan from Yokohama to Tokyo was built and initially run by British railway engineers. The British architect Josiah Conder developed Western-style building in Japan. James Milne was a pioneer in the study of seismology. Thomas Blackiston, zoologist and ornithologist, demonstrated the difference between the fauna of the northern island of Hokkaido and the main island of Honshu, drawing what came to be called the "Blackiston line".

In 1872, a major Japanese mission to the West, led by Prince Iwakura Tomomi, spent months in Britain visiting and inspecting industrial centres. The mission contributed significantly to the development of Japan and to British trade

The first Briton arrived in 1600. Hugh Cortazzi on a relationship full of history



with Japan, but it failed in its initial efforts to persuade the Western powers to agree to the revision of the treaties of 1858, which the Japanese regarded as "unique", not least because of the provisions providing for extra-territorial rights in the treaty ports. In fact, revised treaties only came into force in 1899, after agreement had been reached with Britain and Japan

had adopted Western-style civil and criminal codes.

At the turn of the century, the British and Japanese governments were suspicious of Russian intentions in the Far East, and in 1902 the first Anglo-Japanese alliance was concluded. The existence of the alliance was an important factor in the defeat inflicted on Russia by Japan in the war of



A Japanese engine from around 1873. The first railway from Yokohama to Tokyo was built by British engineers

1905-6. There was much admiration in Britain for Japanese prowess on land and sea.

In the First World War, Japanese naval forces assisted the Allies, especially in the Mediterranean. But Japan was disappointed at the failure to include a clause in the Versailles agreements banning racial discrimination, and with the end of the Anglo-Japanese alliance in 1922, relations began to deteriorate. Although it seemed possible in the 1920s that parliamentary democracy might take root in Japan, the power of the military grew. Japanese aggression in China caused increasing alarm and Anglo-Japanese relations worsened. The Japanese attacks on Pearl Harbor were followed by the Japanese capture of British possessions in the Far East. British prisoners suffered grievously, especially on the Burma-Siam railway.

After the end of the war, in 1945, British and Commonwealth Forces took part in the occupation of Japan but their role was a subsidiary one and the Peace Treaty with Japan which came into force in 1952 was essentially an American creation. At first the British attitude towards the new Japan was one of suspicion of a revival of militarism, combined with fears about unfair Japanese trade competition. It was not until the late 1960s that the British began to recognise Japan's potential and to make significant efforts to expand exports to the Japanese market.

In the 1970s and 1980s the increasing importance of Japan as a world economic and political power was recognised, especially by Conservative prime ministers. Ted Heath was the first British Prime Minister to visit Japan, but it was Margaret Thatcher who ensured that British relations with Japan were given a new

impetus: she was seen in Japan as a phenomenon to be respected. Efforts were made to attract Japanese manufacturing investment. Some 275 Japanese companies have invested in Britain, comprising some 40 per cent of Japanese investment in Europe. These investments have brought increased employment, advanced technology and new, efficient management systems. Successful campaigns have been waged to increase exports to Japan, so that these were worth £4.2bn last year.

The improvement in economic relations has been matched not only by an increase in political co-operation, but also by cultural exchanges at all levels. British people who knew Japan and spoke the language used to be rare. Today, there are many thousands of young Britons with experience of Japan. Nevertheless, much more needs to be done to increase cultural understanding and ensure that economic frictions do not recur. The Japanese people and their economy face serious challenges. Deregulation and restructuring are needed, and we need to co-operate with Japan in tackling the economic problems of Asia.

This year is Britain in Japan Year, and in 2001, 10 years after the Japan Festival in the United Kingdom which did so much to promote an understanding and appreciation of the wealth of Japanese culture, the Japanese government intends to present a modern Japan once more.

We should all warmly welcome the imperial visitors from Japan. They are a symbol of the new Japan, which has changed greatly since the war and become a parliamentary democracy and a significant world power. Sir Hugh Cortazzi was British ambassador to Japan from 1980 to 1984.

## How to play the game of business

The Japanese are keen on etiquette.

Miki Munakata on why it's worth learning

DOING business with the Japanese is all about: good communication. Americans put forward a business proposal as soon as the first cocktail arrives, while the British may start after coffee. But it will only be possible to start talking business with your Japanese counterpart after the third lunch.

"Do not expect a quick agreement. It takes time to form solid relationships which will lead to profitable relationships," says Bonnie Williams, managing director of Waterbridge International, a London-based consulting firm specialising in international management. Born of American missionary parents in Japan, Ms Williams lived there for 20 years. After working with JP Morgan in New York, Tokyo and London, she set up her own business in London. "I am told that my business approach is more British than American. I think it's because of my Japanese upbringing."

Japan is a big market and a big trading partner with which you want to work effectively," says Tony Bates, executive vice president of EMI International. "When you do business with the Japanese, the most important thing is clear communication. It's harder than some other places, but you have got to invest time and energy."

Japan has been Britain's second largest export market outside the European Union since 1989. In 1995, British exports to Japan grew by 26 per cent; in 1996, exports were worth over £4.3bn. According to ONS business monitor, the UK's main direct investments in Japan in 1996 were in the electrical engineering and chemicals industries, accounting for £800m and £600m respectively of the £2.4bn total. Over 300 British companies have a base in Japan. "The changing structure of the Japanese economy means there are increasing opportunities," said Sir Michael Perry, chairman of Action Japan, a campaign run by the DTI.

Japanese investment in Britain is far larger: £6bn in 1996, of which financial services accounted for £4bn. Next largest were distribution services at £900m and electrical engineering at £700m. Nearly 1,000 Japanese companies now operate in Britain.

According to Ms Williams, there are many similarities between the Japanese and the British. Both nations, she says, see the need to be properly introduced, socially and in business. Both are reserved, modest, and indirect, but many British companies experience frustrations, especially when it comes to communicating with possible Japanese partners.

The Japanese decision-making process is probably the biggest mystery. "Understand who is more senior, who gets served meals first, how to relate to them," says Ms Williams. "It is important to establish this at the beginning." But consensus matters as much as hierarchy: the British tend to discuss details first and then come to an agreement, but the Japanese reach a consensus first and discuss details later.

"The Japanese rarely have any discussion and debate in the meeting itself," says Ms Williams. "In the West we are told to find the decision-maker and convince him or her, and then you will get the deal. In Japan, there is rarely one decision-maker, and it is usually not the top man. He will rely on his lieutenants to feed him worthwhile proposals. But once consensus is reached, things can move very fast." As the number of Britons working for Japanese companies grows, it is equally important for expatriate Japanese managers to understand how to manage their

workforce. Western habits of debate and voicing opinions are unfamiliar, and can be a cause of frustration for both sides.

Tatsuo Minamino, London accounting manager of Casio, the electronics company, said: "The British style of debate can create a conflict between the Japanese working in Britain and their British colleagues, which can also lead to misunderstanding in the Japanese headquarters. We have to compromise at some point."

Nobuo Shimizu, manager of Sony Europe Finance, who has been working for nine months in England, said: "When you give a task to a British employee, they do just what they are told. The Japanese usually try to understand what their boss is expecting before they are told. If they fail to do their job in time, they stay back to complete it, because making excuses is unacceptable and offensive in Japanese society. Managers have to take the initiative in telling their British employees what they have to do, whereas in Japan, the managing director doesn't need to give employees a lot of directions in the Western sense of managing."

All the British businessmen and women with experience of Japan stressed the importance



Bonnie Williams

of preparation. While you don't need to speak Japanese, they say, you should understand something of Japanese society, such as the education system: discussion is not encouraged in the classroom, for example.

"I don't think the Japanese want Westerners to copy the Japanese way of business," says Ms Williams. "The most important thing is to appreciate Japanese values, and respect the way they communicate." Due to their homogeneity, the Japanese communicate more by body language than verbally. The signals can be subtle, but one should be able to read them.

The use of language can also cause misunderstanding. To the Japanese, saying "yes" just means that they are listening, not that they are agreeing. "The Japanese don't commit to something until it is absolutely certain and serious," says Mr Bates of EMI. "So you have to understand the differences in language." Christopher Jackson, managing director of Euro Japan Marketing in Tokyo, agreed. "The problem for the British side," he said, "is knowing what Japanese companies are thinking in terms of strategy. It is difficult for Japanese to say they are definitely not interested in a proposal. It's hard to read the signals."

Like several others, Simon Cunningham, representative director of Cable and Wireless in Japan, emphasised that building relationships was paramount. "I think the British and the Japanese can work together, due to their natural affinity in terms of history, and believing that personal relationships are as important as business ones. The most important thing is to establish credibility."

Miki Munakata is a Japanese freelance journalist living in Britain.

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Small bar chart showing the number of schools from 1987 to 1998. The Y-axis is labeled 'NUMBER OF SCHOOLS' and ranges from 0 to 300. The X-axis shows the years 1987, 1989, 1992, 1995, and 1998. The bars show a steady increase in the number of schools over the years.







# Sunderland rue another year of dashed dreams

IT WAS in the Roker Review on 2 December 1972 that Bob Stokoe, in his first programme notes as Sunderland's manager, penned the immortal line: "I am no miracle worker."

Six months later the football world declared otherwise. Stokoe was the truly-topped messiah who had led Sunderland from second bottom of the Second Division to the greatest FA Cup win of them all.

In the 25 years and 22 days since Stokoe's Sunderland slayed the mighty Leeds United, it has seemed to the faithful folk of Wearside that a lifetime's worth of football dreams come true were used up on the afternoon of 5 May 1973.

It has seemed much the same to the region that was once dubbed the hotbed of football. Not since Bobby Kerr clutched the FA Cup more than quarter of a century ago now has a club from the North-east of England lifted a major trophy.

Not since then, either, has a North-east club won at Wembley. In four visits each since then, Sunderland, Newcastle and Middlesbrough have all failed to savour victory beneath the twin towers.

"Maybe we used up too many prayers back in 1973," Bob Stokoe mused yesterday,

Wearside's day of tears was the latest in a long line of failures. Simon Turnbull reports

the morning after fate – if not the supreme power above – conspired so cruelly against Sunderland in a fantastic First Division play-off final.

While Peter Reid endured the full range of managerial emotions at pitch-side, Stokoe, now 67, was at home in Hexham, 20 miles west of Newcastle, watching Monday's Wembley drama unfold on television.

"It's very sad," he said. "I really feel for Michael Gray. He must have been devastated walking off there after missing that penalty. I feel for Peter Reid, too. But I have to say that the goalkeeper let Sunderland down so badly yesterday."

"Lionel Perez should never have come out for that corner when Sunderland were 3-2 up with five minutes left. If he'd stayed on his line Richard Rufus would have headed the ball straight into his hands."

"Goalkeepers win you games and lose you games. It was like in 1973. Jimmy Montgomery won us the Cup final. That's why I ran on the pitch to embrace him at the end."

On Monday, in an ironic throwback to 1973, a Sunder-

land goalkeeper raced on to the hallowed turf to embrace the central figure in the drama, but in consolation rather than celebration. Tony Cotton was the first to comfort Michael Gray after the penalty miss that handed game, set and promotion match to Charlton 4-4, 7-6.

He was not the last. Daniele Dichio quite honourably and quite rightly insisted that he, and not his team-mate, had cost Sunderland promotion. The sitter he missed, with Sunderland 3-2 ahead and 15 minutes of regulation time remaining, defied belief.

But, then, Sunderland fans had seen that kind of thing before at Wembley: Clive Walker's penalty miss at the same target, the Tunnel End goal, in 1985. They had seen their team lose that Milk Cup final, the 1990 play-off final and the 1992 FA Cup final – and play appalling each time too.

On Monday at least the 41,000 Wearsideers in attendance had the satisfaction of seeing their side rise to the big occasion. The previous 11 North-east teams to visit Wembley did nothing more uplifting than turn up.

So heroic was Sunderland's failure the first caller to the morning phone-in show on BBC Radio Newcastle yesterday was a Newcastle United season-ticket holder offering sincere commiserations to listeners on Wearside. "It's a pity Newcastle didn't put up a show like that in the FA Cup final," Harry from Blyth lamented. "It reminded me of Sunderland in 1973."

For Sunderland's supporters, it seems, there is no getting away from the past – and, sadly, not catching up with it either. Not since 1955 have the red and whites finished in the top half of England's top division. No wonder Reid's first words on the steps of Wembley were for those who have supported what has long been a losing cause. "We've got the best supporters in the country," he said. "We've got to get them in the best division."



The sad men: Sunderland players (in kit, from left) Daniele Dichio, Allan Johnston and Michael Gray

Photograph: Michael Steele/Empics

## Charlton must return to reality

By Phil Casey

IF A Hollywood scriptwriter had dreamed up the Charlton story, it would have been laughed at as being ludicrously implausible.

Picture the scene: a small, unfashionable south London club are on the verge of bankruptcy before a last-minute deal saves them from extinction. The gates to their stadium are locked by the receivers and years are spent sharing grounds with Crystal Palace and West Ham.

Then, after a remarkable turnaround in fortunes, they secure a place in the Premiership after a see-saw eight-goal thriller at Wembley. It may sound far-fetched, but that is what has happened to Charlton in the space of just 14 years. Their tale is full of unlikely

heroes. The chairman, Martin Simons, is one such example. The 49-year-old season ticket holder joined the board after retiring at the start of the decade and was plunged straight into the complicated world of Charlton's finances.

Seven years had passed since the last-gasp rescue by a property group at the High Court had saved Charlton from going out of business, but Simons discovered the club's financial affairs had hardly improved – to his cost. "We walked into a club which was nearly bankrupt, with no ground," said Simons, who joined the board at the same time as another Charlton saviour, the plc chairman Richard Murray.

"Beazer Homes hadn't been paid for work done at the Valley and I naively paid an inter-

im cheque thinking the club would soon stump up the balance. But they didn't and when Beazer pulled out we had to do a quick deal with West Ham."

Upton Park therefore replaced Selhurst Park as the nomadic club's new temporary home until the historic day on 5 December, 1992, when, for Charlton, football finally came home to The Valley.

Even that was not simple however, requiring the help of the Valley Party fighting local elections to persuade the council to be more sympathetic to the cause – and the sale of Rob Lee to Newcastle.

"Actually trying to buy the freehold to the ground and getting it back to a state to return to was very time-consuming and very costly," Simons added. "At one point I don't

think there was anyone who was involved that thought we would actually do it. But when we pulled it off and walked back through those gates – fantastic."

"The unique thing about all this is that it has been a collective effort by the fans, by the directors and the players." That effort has proved so successful that, even without Monday's extraordinary win over Sunderland, the future of the club has never looked so secure.

The capacity has gradually risen from just 8,337 in 1992 to almost 16,000 last season, and the extension of the west stand this summer will bring crowds up to the 20,000 mark. They are not finished yet. The managing director, Peter Varney, has ambitious plans for the rest of the ground and developments are moving at quite a pace.

"People might think that the club is growing too quickly, but it's all being done in a controlled way," Varney said. "We will move at a fast rate and the reason is that a lot of the grants we can get are related to the millennium and are only available for a two-year period. We've got a great opportunity."

The missing piece in the jigsaw is continued success on the field and the necessity of avoiding the fate of the three clubs promoted from the First Division last season. That daunting task belongs to Alan Curbishley but, despite the loss of first-team coach Les Reed to a Football Association job a day after promotion was assured, the Charlton manager has been promised an £8m windfall of television money to help strengthen his squad.

## Back-up strikers take bite out of big apple

By Phil Shaw

In New York

FIRST they take Manhattan, then they take Brazil. With a fortnight left before they open France 98 against the world champions, Scotland's players were allowed out of their suburban training camp to explore the Big Apple yesterday, having first taken a substantial bite out of the New York/New Jersey MetroStars in a 4-0 victory.

The hastily arranged friendly against the Major League Soccer club, played behind closed doors at a local college

stadium, was designed to give match practice to the players who did not appear in Saturday's 2-2 draw with Colombia. In the event, Scotland's line-up included Colin Hendry, who will captain them in the finals, plus four others who played at Giants Stadium.

Those perennial rivals for the goalkeeping slot, Jim Leighton and Andy Goram, each took half a game, but according to Craig Brown "had nothing to do". The Scotland manager said that they may also share the last warm-up fixture, against the United States in

Washington DC on Saturday, but suggested that, if either played for longer than the other, that would be a pointer to his preference against the Brazilians on 10 June.

Pleasingly for Brown, there were goals for two of his back-up strikers, Celtic's Simon Donnelly scored twice, while Scott Booth, who spent much of last season on loan from Borussia Dortmund to Utrecht, added another. The fourth goal came from Kieron McAnespie, a St Johnstone teenager who has accompanied the squad to the US to gain experience, carry the kit

hampers and make up the numbers in such "bounce" games.

Nottingham Forest's Scott Gemmill, who Brown described as outstanding in midfield, said that the exercise served its purpose in sharpening match-fitness. However, he was disappointed by the standard of the opposition. The MetroStars fielded all their first team, including international strikers from Ecuador and Venezuela, yet Gemmill cited 32-year-old Paul Dougherty, a 5ft 3in former Wolves midfielder, as their best player.

Intriguingly, Brown revealed that there was a first Scottish

"cap" for one Barry Swift, a rookie striker of Trinidadian descent. The Scots borrowed the 21-year-old from the MetroStars, whom he joined from the Martin Luther King High School in Brooklyn, when they ran out of substitutes late on.

Swift's fame will be of the Warholian variety, alas, for Scotland expect to have their full complement of attackers to choose from against the Americans. The first-choice pair, Kevin Gallacher and Gordon Durie, are both recovering well and are confident of playing at the Robert F Kennedy Stadium.

By Rupert Metcalf

THE Chelsea striker Gianfranco Zola last night revealed his anguish at being left out of Italy's World Cup squad by Cesare Maldini – and hinted that the way the Italian coach had acted had made the process even more painful.

"It seems to me that after giving him a debut victory with my goal at Wembley, there seems to have been some sort of gradual exclusion process. I have been slowly but steadily pushed out," claimed Zola. Maldini has stated that Zola

has had a difficult season – but the player feels he has been the victim of a bias against English Premiership clubs.

"Being left out fills me with pain," Zola admitted. "It's not only a great disappointment, it's a hard blow to me because I genuinely believed I would be in until the very last minute."

Croatia's World Cup preparations have suffered a serious blow with the withdrawal of their key striker, Alen Boksic.

The Lazio player faces surgery on a knee injury and will not recover in time for the finals. "Croatia is losing one of

its main trump cards for the World Cup. I've been building my strategy on him," the distressed national coach, Miroslav Blazevic, said. He went on to accuse Lazio of concealing the problem in order not to jeopardise Boksic's proposed transfer to Milan.

Gabriel Batistuta scored his fifth international goal in three games as Argentina secured a 2-0 friendly win over South Africa in Buenos Aires on Monday. Batistuta broke the deadlock in the 50th minute and Ariel Ortega added a second with the last kick of the match.

## De Bruin will fight any ban says lawyer

Swimming

THE TRIPLE Olympic swimming champion, Michelle De Bruin, will turn to arbitration or the courts to fight any allegations that she manipulated a drug sample, her lawyer said yesterday.

Peter Lennon said the case against the Irish swimmer should be dropped because Fina, the sport's governing body, did not report finding any banned drugs in her back-up urine sample.

Fina had said on Monday it was sending De Bruin's case to its doping panel for investigation after analysis of the B sample apparently showed the same signs of manipulation as her first specimen.

Lennon told Irish radio he had warned Fina that unless all charges were withdrawn, he would apply to the Swiss-based Court of Arbitration for Sport for an injunction.

The samples allegedly contained a lethal concentration of alcohol.



## Ashdown snaps up a hat-trick

DAVID ASHDOWN, the Independent's chief sports photographer, yesterday won his third major award this year.

His photograph (left) of the England batsman Mark Ramprakash tracking a delivery from the fast bowler Nixon McLean was selected as the best picture of the series against West Indies in the Caribbean earlier this year.

The competition was sponsored by Vodafone, who also back the England cricket team, and was open to all British photographers who covered the series.

The award completed a notable hat-trick for Ashdown, following his success in being named as the UK Press Gazette's Sports Photographer of the Year and his winning of the Sports Council's Best Portfolio title.

## Sweet day for Australia and O'Grady

Cycling

By Martin Ayres  
in Blackpool

THERE was an element of farce about the third stage of the Prutour of Britain yesterday when the main bunch took the wrong exit from a roundabout, but order was restored and in the end there was no change at the top of the overall standings.

It proved to be Australia's day as Jay Sweet was first across the line after the 116-mile ride here from Manchester and his fellow countryman Stuart O'Grady retained the red jersey of overall leadership by 17 seconds from Chris Boardman.

The rain, climbs and controversy failed to split the field, and the stage ended in a mass sprint along the seafront where Sweet had a length to spare over Sweden's Magnus Backstedt with O'Grady third.

Chaos and confusion struck at Clitheroe, just before half-distance. A five-man breakaway group took the correct route and happily opened up what seemed to them an unbeatable lead, unaware that the main pack had taken the wrong exit

off a roundabout. The puzzled peloton finally came to halt in a shopping centre car park.

After a good deal of discussion over the race radios, officials decided to halt the breakaways and hold them at the roadside until the pack had rejoined the right route. When the gap between the two groups had been closed to its original 5min 40sec margin, the leaders, including Mark Walsham, were waved on their way again.

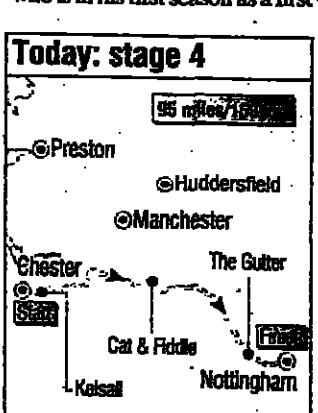
"I don't know if there's a rule to cover this kind of incident," Walsham said. "We had no alternative but to follow instructions and stop, otherwise it would have made a farce of the race."



Cold and stiff after a 34-minute enforced halt, Walsham was dropped by his breakaway partners on the seven-mile climb on the Trough of Bowland. Descending at 50mph he fought back and after a long chase rejoined the leaders in time to win a £1,000 special sprint prize at Garstang.

The main peloton finally caught the escapees as Blackpool Tower loomed on the horizon. Sweet mastered the high-speed manoeuvring along the Golden Mile to take the stage.

"About time too, my last win was on Boxing Day in my home town of Adelaide," said Sweet, who is in his first season as a first



division professional with the French Bignat Auber 93 team.

He welcomed the stoppage. "I was able to get some food and do some stretching exercises, but it took a lot of interest out of the race for the strong men in the peloton. It became rather negative and stayed together over the final climb, which suited me fine because this is a great event, apart from having too many hills," he said.

After two tough days in which he had dictated the tactics, Boardman welcomed a day in the obscurity of the peloton, finishing 21st in the same time as the winner.

Three consecutive stages of more than 100 miles have reduced the field to 93 riders, who face a 95-mile leg through the Peak District from Chester to Nottingham today.

PRUTOUR (Third stage, Manchester to Blackpool, 116 miles): 1 J Sweet (Aus) 1:01:00; 2 M Walsham (GB) 1:01:00; 3 S O'Grady (Aus) 1:01:17; 4 G Boardman (GB) 1:01:20; 5 S Backstedt (Swe) 1:01:21; 6 C Boardman (GB) 1:01:22; 7 C Walker (GB) 1:01:23; 8 R Hayles (GB) 1:01:24; 9 S O'Grady (Aus) 1:01:25; 10 G Hogg (GB) 1:01:26; 11 S O'Grady (Aus) 1:01:27; 12 S O'Grady (Aus) 1:01:28; 13 S O'Grady (Aus) 1:01:29; 14 S O'Grady (Aus) 1:01:30; 15 S O'Grady (Aus) 1:01:31; 16 S O'Grady (Aus) 1:01:32; 17 S O'Grady (Aus) 1:01:33; 18 S O'Grady (Aus) 1:01:34; 19 S O'Grady (Aus) 1:01:35; 20 S O'Grady (Aus) 1:01:36; 21 S O'Grady (Aus) 1:01:37; 22 S O'Grady (Aus) 1:01:38; 23 S O'Grady (Aus) 1:01:39; 24 S O'Grady (Aus) 1:01:40; 25 S O'Grady (Aus) 1:01:41; 26 S O'Grady (Aus) 1:01:42; 27 S O'Grady (Aus) 1:01:43; 28 S O'Grady (Aus) 1:01:44; 29 S O'Grady (Aus) 1:01:45; 30 S O'Grady (Aus) 1:01:46; 31 S O'Grady (Aus) 1:01:47; 32 S O'Grady (Aus) 1:01:48; 33 S O'Grady (Aus) 1:01:49; 34 S O'Grady (Aus) 1:01:50; 35 S O'Grady (Aus) 1:01:51; 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# Agassi falls at first hurdle in French quest

## Tennis

By John Roberts  
in Paris

AS IF 19 representatives in the men's singles and nine in the women's event were not enough to begin with, the Spaniards co-opted a teenage Russian qualifier to eliminate Andre Agassi in the first round of the French Open yesterday.

Marat Safin, 6ft 4in of power and talent from Moscow, has lived and trained in Valencia for the past four years, three of them courtesy of sponsorship by

a Swiss bank. His victory, 5-7, 7-5, 6-2, 3-6, 6-2, in his first Grand Slam tournament was even more startling than his compatriot Yevgeny Kafelnikov's performance in pushing Pete Sampras to five sets in the second round of the 1994 Australian Open.

Agassi, who arrived for his interview with an ice pack on an inflamed right shoulder, has once again been denied a French title to complete his collection of the Grand Slams. The Las Vegas's early departure has prompted him to consider playing at Queen's Club, London, or Halle, in Germany, as part of his grass-court preparation for Wimbledon next month.

Safin, aged 18 and ranked No 116 in the world, was overwhelmed by Agassi, 6-3, 6-3, 6-3, in Russia's Davis Cup tie against the United States on a concrete court in Atlanta last month. "It's a very different story," Safin said, his English bearing the distinct trace of a Spanish accent. "I was playing for my country in the United States. It was very difficult." None the less, he took Jim Courier to five sets in the fifth and decisive rubber.

Yesterday, on the Suzanne Lenglen Court, Agassi, ranked No 20, attempted to out-hit the pouncing Russian even after he "felt something happen" in his shoulder during the opening set.

"There's no way I'm going to ever start slicing somebody to try to beat them," Agassi said. "I'd slap myself if I started doing that. I feel like I've got to control the point." The quest was ruined by 82 unforced errors.

Safin now plays the defending champion, Gustavo Kuerten, last year's sensation

from Brazil. "I wanted to beat Agassi, but I think I was really lucky playing so well in this match," Safin said. "I do not think I will beat Kuerten. I'm very tired."

The Spaniards were happy to have played a part in Safin's success, having lost Sergi Bruguera, the 1993 and 1994 champion, who was defeated in straight sets by Hernan Guxy, of Argentina.

Originally coached by his mother, Louisa Islanova, a former semi-finalist at the French junior championships who was ranked in the top 10 in Russia,

Safin has had a Spanish mentor, Rafael Mensua, since the age of 14.

For the past year, Safin has been a client of International Management Group, whose founder, Mark McCormack, demonstrated yesterday that even agents can have a soft centre by standing up and taking snapshots of Monica Seles as she competed only 12 days after the death of her father and coach, Karolj.

McCormack, who organised Seles's comeback match against Martina Navratilova in Atlantic City 27 months after she was

stabbed by a spectator in Germany in 1993, was seated beside her mother, Esther, on the Centre Court.

The 24-year-old Seles, in a black tennis dress and wearing her father's wedding ring on a chain around her neck, was barely troubled by her Australian opponent, Annabel Ellwood, winning 6-0, 6-2, after 52 minutes.

"I was unsure if I would be ready, emotionally and probably tennis-wise," Seles said. "It's my mom's first time here in five or six years. I don't think I could have come if she

wouldn't have come. It's really nice to be here together."

Asked if she had found peace of mind on the court, Seles, the No 6 seed, said, "Not so much on the court. I think it's just being away from the house, having so many memories, every corner you look into, so many things, so many people coming up, so many of my dad's friends. It's just really tough. Sooner or later I'm going to have to get over that burden. Right now, I don't want to do deal with it. It's been a tough 15 months for my family."

Results, Digest, page 31

# Hoddle asks Gascoigne to play it again

## Football

By Glenn Moore

GLENN HODDLE arrives in Casablanca today seeking, like Paul Henreid in the film which made the Moroccan city famous, to put his troubles behind him and find the means to a better future.

While Henreid had Humphrey Bogart and Ingrid Bergman on his side, Hoddle has Paul Gascoigne and Eileen Drewery. This enigmatic pair are, perhaps, less photogenic but they are just as central to the plot. Both are likely to be in action as England undertake the next stage in their World Cup preparation, this afternoon's friendly against Morocco in the King Hassan II Cup.

Gascoigne will definitely play but, unless Mrs Drewery's healing hands are on top form, his midfield partner, Paul Ince, will not. Ince broke down in training at La Manga, in Spain, yesterday with a recurrence of his ankle injury and, though Hoddle professed not to be too concerned, the way the medical staff fussed around Ince suggested they were.

"Paul has a slight problem with his ankle but it's nothing mega-dramatic," said Hoddle. "We pulled him out of the session as a precaution - there will not be

a problem for the start of the World Cup. We may even be able to play him in Morocco."

Ince and Gascoigne have lost once in 19 games in tandem for England - the defeat to Brazil in *Le Tournoi* - and Hoddle had planned to play them together against Morocco. "If you roll them up into one you've got a complete player," said Hoddle. "They go together so well and if they're in the hub of your side there's a nice balance there."

The match co-incides with Gascoigne's 31st birthday and, said Hoddle, "he loves playing football so it's probably the best thing he'd want. If he can mark it by playing well and gets himself a goal it would be a lovely present."

"We've eased him in carefully but he now needs 90 minutes. He's ready for it but the problem area is 75 minutes. It's then that we find out how fit he is and whether to take him off. He's then going into the zone where he could pull a muscle so I've got to be vigilant about it and he's got to be honest and professional about how he's feeling."

After the disappointing draw with Saudi Arabia on Saturday Hoddle, who will name his final 22-man squad on 1 June, is looking for a more coherent performance. However, selection is made difficult by the need

to play some of the fringe candidates; to give time in the middle to some of those still seeking full fitness; and to keep players fresh for the match against Belgium on Friday.

Likely starters, in a team expected to show a lot of changes from Saturday, include Martin Keown, Sol Campbell, Ian Wright - his first England match since his injury - and Nicky Butt. Graeme Le Saux is almost back to full fitness after an ankle problem and is expected to play some part.

The game will be closely watched by the Scots, who face Morocco in St Etienne on 23 June in what could be a decisive final group game. Widely regarded as the best of the North Africans, Morocco will be making their fourth trip to the finals next month. In 1986 they topped England's group, beating Portugal and drawing with England in a game in which Ray Wilkins was sent off and Bryan Robson helped off with his dislocated shoulder.

The core of the side are based in Europe, with the Deportivo La Coruña trio of Noureddine Naybet, Mustapha Hadji and Salaheddine Bassir making an impressive spine. The team are coached by Henri Michel, who played 50 times for France before coaching them to third place in the 1986



Paul Gascoigne displays his goalkeeping skills at England's training camp in La Manga yesterday

Photograph: Ross Kinnaird/Allsport

finals. Although the pitch is bumpy, the weather and opposition should give a foretaste of Tunisia in Marseilles on 15 June.

After the match England

fly straight back to La Manga. The press will be left behind, enabling the team to celebrate Gazza's birthday with a few flaming Lamborghinis, or a round of golf, away from cameras and notebooks. England then return on Friday to play Belgium. After that we should know whether Hoddle's problems amount to any more than a hill of beans.

France, without a victory in their last three games, need a win over Belgium today in Casablanca to boost morale before they host the World Cup. The coach, Aimé Jacquet, has made Mona-

co's Fabien Barthez the first choice goalkeeper ahead of West Ham's Bernard Lama, but may rest several tired players today. Police arrest 80 in World Cup terror swoop, page 13

# Arsenal try to tempt Baggio with £6m and European stage

By Catherine Riley

ARSENAL have offered Roberto Baggio £6m over the next three years to move to Highbury, according to Giuseppe Frascara Gazzoni, the president of Bologna.

However, Baggio - included in Italy's World Cup squad - has never shown any interest in leaving Italy and the Gumbers face competition from Internazionale, who could offer the Nigerian midfielder Nwankwo Kanu on loan in return for pairing Baggio up front with Ronaldo, although they are expected to make a lower offer of £4m over three years.

"The chances of Baggio leaving us have unfortunately risen to 99.9 per cent," Gazzoni said. "Arsenal and Inter are offering him something that we

can't: the Champions' League. It's a bit more prestigious than the InterCopa Cup, but we haven't given up yet."

"We obviously want to keep him: he can do things with his feet that other people can't even do with their hands. But Arsenal are offering him 180m lire (£6m) and we can't afford that."

The South Africa-born striker Sean Dundee is to undergo a medical today to seal a £2m move to Liverpool. Karlsruhe have agreed to release the player in a quest to cut their wage bill after being relegated from the German First Division.

Stan Collymore has rejected speculation that he will be leaving Aston Villa. "I love being a Villa player," he said. "I am the first to admit these 12 months have not been the best for me either on or off the pitch. But I

have learned a lot from what has happened and that will stand me in good stead in the future."

Brian Laudrup reiterated yesterday that his move to Chelsea will go ahead without a fee and he expressed sadness about his treatment by Rangers.

"During my farewell party, I did not exchange a word with David Murray [the Rangers chairman]. He stayed away from me even though I considered him a friend. That treatment has given me an ache in the heart."

Laudrup also denied he had agreed he would not move to another British club. "As we negotiated, David Murray said in a joking tone he hoped he would never see me in a Manchester United jersey," he said. "But I would never have entered into anything which would remotely look like such a deal."

# Banks plays down 2002 claim

By Ian Rodgers

FIFA, world football's ruling body, yesterday insisted that the 2002 World Cup will not be transferred to England from Japan and South Korea - despite the economic crisis in south-east Asia.

Fifa's vice-president, Lennart Johansson, said the tournament could even help the hosts' finances. "There is absolutely no doubt that Japan and South Korea will organise the first World Cup in Asia," he said. "Preparations are going ahead as scheduled and Fifa is in full agreement with both of the organising national associations."

Johansson added that the

organisation of a World Cup was a logistical challenge but would boost the countries' economies - though their financial difficulties had been cited as a reason for possible withdrawal.

The Sports Minister, Tony Banks, has been reported as saying England were prepared to take over the 2002 tournament if necessary. But yesterday he warned that any suggestions that the Football Association was involved in manoeuvrings to take the event could jeopardise England's bid to stage the following World Cup in 2006.

Banks insisted claims England could step in were a tribute to the strength of the country's sporting credentials.

"Of course we could step in to stage the tournament, because we are a country which could stage a World Cup," he said.

"It is a tribute to our strength that anyone should see us as a possible host," Banks added. "But the suggestion that I have ordered officials to prepare for the possibility of us staging the 2002 World Cup is entirely fictitious. I have issued no such instructions."

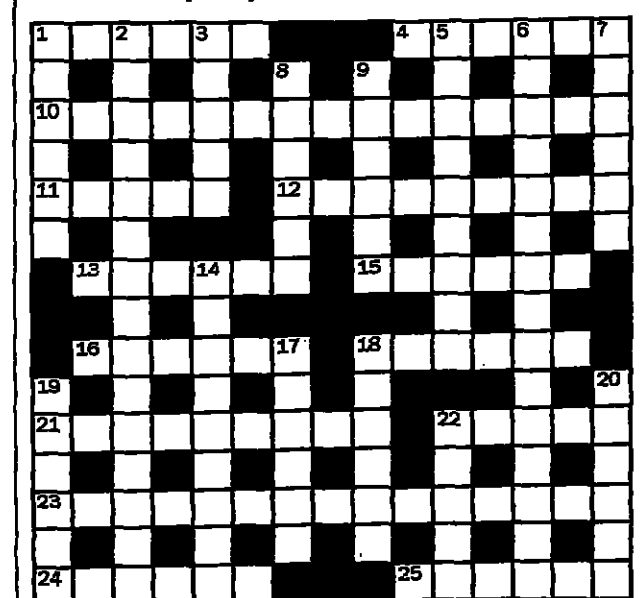
"We are not pitching for the 2002 tournament. There is no doubt whatsoever that the Japanese and the South Koreans will host the World Cup and it will be superb. Nonsense like this actually damages our chances for 2006."

## THE INDEPENDENT CROSSWORD

No. 3621. Wednesday 27 May

By Angela

Tuesday's Solution



DOWN  
10 DOWN  
11 DOWN  
12 DOWN  
13 DOWN  
14 DOWN  
15 DOWN  
16 DOWN  
17 DOWN  
18 DOWN  
19 DOWN  
20 DOWN  
21 DOWN  
22 DOWN  
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25 DOWN

ACROSS  
1 Half of Kent in flower fair (6)  
4 Chest noise very loud inside sweep? (6)  
10 Boudicca's men in division (5,2,3,5)  
11 Bond's declared clubs (5)  
12 Hard-headed article is broadcast (9)  
13 Chunky animals last in Derby (6)  
15 Energy just for cause (6)  
16 Alarmed in a key attack (6)  
18 Passenger no longer dedicated, gone away? (6)  
21 Violent eruptions have a plus, unexpectedly (9)

22 Cove, where in France, there is a marshy tributary (5)  
23 Completely earthed? (4,2,3,6)  
24 They announce works of detective-story writer (6)  
25 Powder for small bag for a chest disorder? (6)  
DOWN  
1 £51 for the solution? (6)  
2 Isolate oneself in remote castle (4,3,2,3,3)  
3 Winds up in long sand storm (5)  
5 Belgian is, in a way, lowering himself (9)  
6 Ooh! a funny outfit brought out for early spring (8,2,5)

7 This Roman in set form of principles (6)  
8 A fellow chafe in such a melee? (6)  
9 Couch perhaps breaking up, when president leaves (6)  
14 Kidney card bent (9)  
17 Dead soil produces famine (6)  
18 Placard covering most of back door (6)  
19 Shepherds, good in Scotland, gain points (6)  
20 As an expert, I would sit up in flat-bottomed boat (6)  
22 Treasurer short? This will ease pressure on the joint (5)